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SECURITY PROGRAM OF THE CENTRAL INTELLIGENCE AGENCY
1941-68

VOLUME II PERSONNEL SECURITY
PART ONE CHAPTERS I, II

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OS-2

May 1973

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SECURITY PROGRAM OF THE CENTRAL INTELLIGENCE AGENCY
1941-68

VOLUME II PERSONNEL SECURITY

OS-2

by

[REDACTED]
25X1A

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25 MAY 1973

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Foreword

Personnel security -- the subject of this, the second in a series of volumes describing the CIA security program as it evolved through 1968 -- does not lend itself well to the straightforward, chronological form of description of some other histories. There were several related aspects of the program which come into clearer perspective when they are dealt with as separate entities. Two important aspects of the Agency's personnel security program are the subjects of separate volumes in this series -- OS-5, [REDACTED] 25X1A
Offices, and OS-9, Polygraph Program -- because the subjects are very extensive, and because not all of the activities described related to the personnel security processes. In addition, all of the other volumes in this series deal at least to some extent with the subject of personnel security, because personnel security is the most important aspect of security work.

Following the introduction, Chapter I of this volume describes the Agency's personnel security program under Sheffield Edwards, with the Chapter's principal emphasis on

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the personnel security screening processes. Sheffield Edwards, CIA's first Director of Security, retired in July 1963 following a long and distinguished career with the Agency. Chapters II and III treat the subjects of security records and the ongoing personnel security program separately. The term "ongoing personnel security program" was coined by the author to describe the pattern of activity that is designed to insure the continued security reliability of the employee after he has passed the initial security screening test. Chapter IV describes other influences affecting the program during the period covering the years 1963-68 inclusive.

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SECURITY PROGRAM OF THE CENTRAL INTELLIGENCE AGENCY

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II. Personnel Security

Introduction

Personnel security is the pattern of activity necessary to insure that the individual does not act contrary to the security trust that has been placed in him. It is an important aspect of security, because the subversion of personnel represents one means through which foreign intelligence services can gain access to information -- otherwise denied them -- that would be helpful in meeting their intelligence requirements. A viable personnel security program should consist of both an initial screening process and some continuing means to insure that the individual continues to perform to a standard of trust, because the individual's subversion can occur either before or after employment. The success of any personnel security program hangs on the fragile thread of the human will -- there are no three-way combination-locked vault doors, only the individual's

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strength of character. Personnel security, therefore, involves the science of human behavior.

The personnel security screening process is itself divided into two parts: the first involves the collection of sufficient data concerning the individual to perform a security assessment and to render a security judgment; the second involves the security assessment and judgment, which must be rendered against some viable standard for judging the individual's security reliability. Within CIA the collection of data is performed by the

[REDACTED]

with the aid of the polygraph. Both of these sources service other OS organizational components -- Personnel Security Division (PSD) and the Investigations Division (ID) -- which perform the actual security assessments and render an appropriate judgment. Available CIA records as well as those of other Federal investigative and security services are also checked. The

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judgments are made under the Director of Security's delegated authority, and security disapprovals, or even approvals in cases

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where questionable information exists, receive a much higher level of review than "all-clear" cases.

The years following World War II saw the promulgation of several Executive Orders which set standards for the screening of Federal personnel, in addition to standards to be applied to such personnel provided access to classified defense information. As an Agency of the Federal government, CIA has been required to meet these minimum standards; although, due to the extreme sensitivity of its mission, the intensity of its program exceeded those of other Federal departments and agencies. Another distinction between CIA's program and other Federal programs is the great variety in categories of personnel which it either employs or uses in some capacity in the conduct of its intelligence mission, who range from staff employees sharing most of the emoluments of other Federal employees to contacts and agents whose participation in Agency activities is performed under greatly controlled



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affects the manner in which information concerning the individual can be developed and consequently the scope of the inquiry. As a result, although the philosophy is adhered to that the use of any individual for Agency purposes should be carefully assessed against the maximum possible information that can be acquired concerning the individual, there are in CIA varying security standards for the different categories of personnel. The resultant calculated risk is balanced by operational security procedures which carefully control the individual's access to sensitive information. Overall it is a reasonable, workable approach, and the only approach possible in light of the unusual nature of the intelligence mission.

It is often said that government should not legislate on the subject of morals or otherwise attempt through its processes to establish a moral standard of behavior. Conversely, legislation existing in almost all jurisdictions making murder and robbery criminal offenses -- yes, even the Sunday "blue laws" -- can be traced to the law of Moses. One might argue that these are laws which are in the best interest of the overall society -- which only leads to the inevitable conclusion that society itself prescribes a standard of acceptable conduct -- a fact with which government,

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as an instrumentality of society, must continually reckon, even as it relates to the preservation of official secrecy. This latter fact is clearly demonstrated by the following quotation from Agency regulations which prescribe the personnel security standards for individuals holding staff positions in CIA.

Who (those employed) are of excellent character, and of unquestioned loyalty, integrity, discretion, and trustworthiness. 1/*

In defense of the above requirement, it might be said that individuals of poor character are more easily led to committing acts constituting subversion, because the subversion itself represents just one more step toward the complete character degradation of the individual. Thus only persons of outstanding character should be entrusted with information which is the subject of official secrecy. A problem arises, however, when it is discovered that few -- indeed, if any -- individuals consistently evidence outstanding behavioral characteristics. Furthermore, the only available evidence concerning the individual's character is his past conduct, and theologians and psychologists alike have arrived at the conclusion that deep within the psychological makeup

* For serially numbered source references, see Appendix A.

of even the finest individuals is the potential for the basest of acts. The process by which saints become sinners -- and vice versa -- has been explored only on theoretical bases.

Indeed, even the standards seem to vary -- according to the existing conditions, and according to the viewpoint of the particular society in which they are judged. What is bad is only bad from particular points of view; and, since security is principally concerned with the protection of classified information, personnel security must use standards which are geared to those individual characteristics which have been demonstrated to have produced the subversion of individuals, and should not necessarily attempt to employ conventional standards of morality. That portion of the Agency's regulations which is quoted above fails to make this distinction; and, in failing to do so, it fails the test of a viable standard. This is not to single out this particular regulation for criticism, for in fact most other governmental personnel security directives and regulations are similarly worded. It does, however, serve to demonstrate the frustration associated with attempts to establish an appropriate yardstick against which to measure the security reliability of individuals.

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The Government's personnel security program began on the issue of loyalty, and it is still largely so concerned today. It had long been the practice of the Federal government to perform at least perfunctory investigation of applicants for Federal employment. The applicant's loyalty was undoubtedly always a matter of inquiry during the conduct of such investigations, but it was not until the late 1930's that legislation was first passed making the individual's loyalty a matter requiring consideration for employment in the Federal civil service. In August 1939, Congress, concerned with the threat that the International Communist movement and other totalitarian influences posed to the security of the nation, passed the original Hatch Act, which included a provision preventing employment in the Federal service of any individual holding membership in any political party or organization advocating the overthrow of the US constitutional form of government. Congress further evidenced its concern in July 1941 when there was added to all appropriation acts a mandate providing that no part of any appropriation could be used to pay salaries or wages of persons who were members of any organization advocating overthrow of the Government by force or violence. Even the term "disloyalty" required a

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definition; for it might well be asked: Disloyalty to whom and to what? This definition was stated as advocating the overthrow of the US constitutional form of government by force or violence.

But, although this excluded many individuals possessing dangerous political ideologies, it did not take into account the matter of the clandestine penetration of the Federal personnel body, allowing that such penetrations would probably be effected through individuals who either would be more circumspect in expressing their political viewpoints, or whose motivations might be other than political ideology. Such penetrations were most likely to occur where the "loot" was the greatest -- departments and agencies dealing with classified information. Consequently, in June 1940 -- with the Nation watching, but still not participating in the war in Europe -- Congress authorized the Secretaries of War and Navy to remove summarily any employee in the interests of national security without regard to any other provision of law, rule, or regulation governing the removal of employees. This greatly broadened the discretionary powers of these two Secretaries.

The military departments had long followed the practice of identifying and classifying the most sensitive of their information.

Until 1944 the highest security classification was SECRET. SECRET information was the subject of more stringent physical safeguards; and, additionally, personnel provided access to SECRET information were investigated and specifically approved for this level of access -- a personnel security clearance. The denial of a personnel security clearance did not necessarily affect the individual's employment rights, since not all employees required access to classified information. Generally the same screening processes were followed in the case of personnel serving in the military services who required access to classified information to perform their duties.

The investigations that were conducted pursuant to these personnel security clearance processes continued to inquire into the individual's political ideology and loyalty, but they also inquired into the individual's background and behavioral patterns. Much attention was paid during World War II to individuals with foreign backgrounds -- particularly those from the Axis Nations -- because it was feared that such individuals might have divided loyalties. Inquiry into the behavioral patterns of prospective employees was not strange to the ways of the Federal service, for government had historically strived to insure that those

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entrusted with civil service were of outstanding character and behavior -- now, however, the resulting information was being used to judge the individual's security reliability. The author is of the opinion that the personnel security standards employed during World War II were largely society's consensus of what constituted conventional morality, judged from the viewpoint of the individual making the security determination, and refined by a few professional considerations such as foreign nationality backgrounds. Aside from the published exploits of Mata Hari, there were too few existing examples of the manner by which character deficiencies interacted with the matter of subversion.

In the twenty-seven years following World War II, however, a considerable experience factor was developed in the form of actual cases wherein US citizens had been induced to act in a manner contrary to their national allegiance. Additionally, the CIA, in the course of pursuing its national counterintelligence responsibilities, was able to develop much information related to the modus operandi of foreign intelligence services, and this information also provided further insight into those individual characteristics which the opposition had concluded could be successfully exploited for their intelligence purposes. [REDACTED]

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at least lacked adjustment, self-discipline, and the ability to integrate themselves into complex situations or environments.*

But even with an experience factor and a knowledge of the opposition's techniques, the precise yardstick for the measuring security reliability of an individual continued to be elusive. The particular character traits which were prevalent in individuals who conducted themselves in a treasonable manner can be found in many other individuals who have not breached their security trust, and who in all probability will not do so in the future. This is because the offense in question constitutes an individual act, which the individual must be personally disposed to commit. An examination of case histories provides considerable insight into how the degradation proceeded in the particular cases examined -- the pattern cannot, with any firm degree of consistency, be applied to other individuals and other circumstances. Each individual security assessment must be made on its own merits, and allowance must be made for occasional failures in the screening processes. This is

* The Story of Disloyalty and Betrayal in American History, by Nathaniel Weyl, 1950.

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as it might pertain to the particular subject under study.

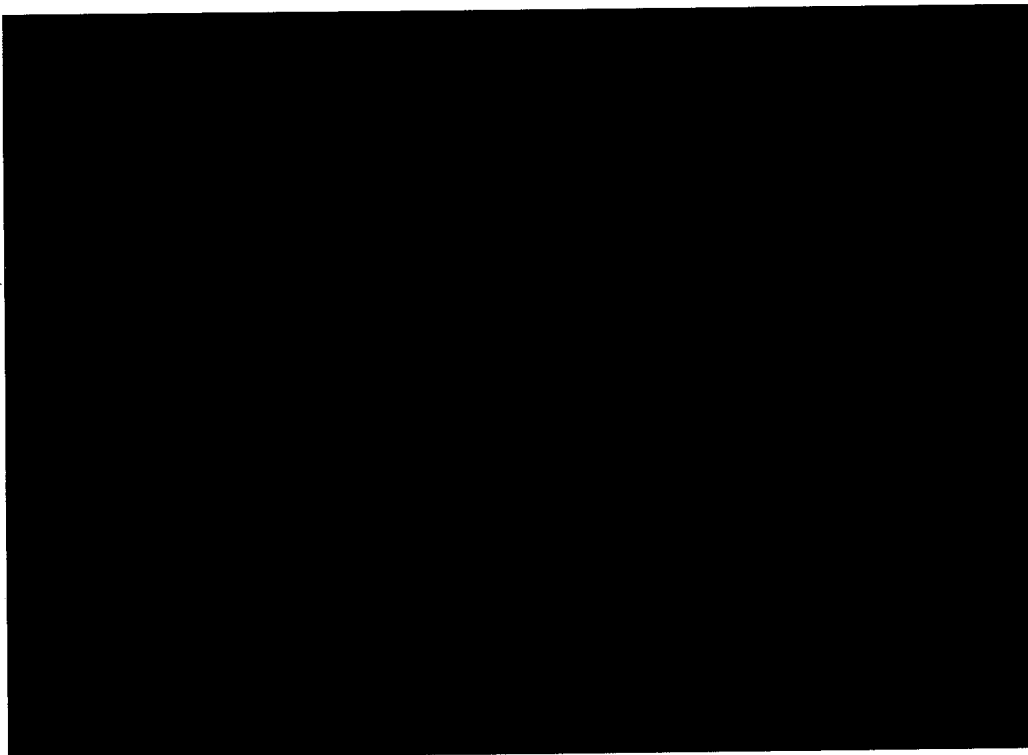
Guest lecturers are frequently provided from OS; and the course's content always emphasizes the important relationship of security to the intelligence mission.

Of perhaps even greater significance, the Agency's Office of Security has fostered an "open door" environment to permit agency employees to discuss those of their personal problems having possible potential security ramifications, with full assurance that the information they disclose will be treated confidentially, and with promise that OS will engage its and any other Agency resources necessary to assist the individual where in the Office's considered judgment such action is appropriate. The procedure results in many conversations with the security officer which are not really germane to the subject of security, but it also results in establishing and maintaining a healthy state of communication. Supervisors too are encouraged to "know their employees" and to consult with OS in the event of any unusual occurrence or attitude. OS's Night Security Office -- operating on a 24-hours-a-day, seven days-a-week basis -- provides a point of contact for any

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Agency employee experiencing personal difficulties. Special security personnel operating out of OS's Personnel Security Division are continually available on call should the problems of some Agency employee require immediate assistance.



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Naturally, it cannot be said with certainty that the Agency's personnel security program has been completely effective. The CIA -- unlike several other Federal departments and agencies -- has had no known defections from its employee body; a number of Agency employees have reported attempts

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Personnel security at best is a very imprecise science; that upon which it principally depends -- the individual human will -- is extremely unpredictable. Nothing else will suffice other than that the subject be given close and continuing attention. The collective tools of the Agency's personnel security program may seem pitifully little when it is realized that they are intended to prevent each and every attempted penetration -- not so, however, when they are being manipulated by competent, professionally trained security officers.

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I. The CIA Personnel Security Program Under Sheffield Edwards*

A. The Inheritance

When the CIA was established in 1947, its personnel security program received a respectable inheritance. This included a set of security files and indices related to OSS personnel, which had been accumulated during World War II by the OSS Security Office.** These records are still a part of the total OS record holdings today (1972). Additional record assets resulted from the wartime OSS X-2 (Counterintelligence) Branch, which had been accumulated from a great variety [REDACTED] and OSS's own agent sources, and which

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* Sheffield Edwards: Executive for Inspection and Security (July 1947-January 1949), Chief, Inspection and Security Staff (January 1949-December 1950), Security Officer, CIA (November and December 1950), Assistant Deputy Director for Administration for Inspection and Security (December 1950-March 1953), Director, Security Office (March 1953-February 1955), Director of Security (February 1955-June 1963).

** For the organization of OSS Security Office, see OS-1 of this series, I, B, 2.

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represented a significant compilation of the identities of known or suspected subversive individuals and organizations worldwide, in addition to research related to their methods of operation.*



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Of perhaps greater significance, however, the Agency inherited four years of Federal and OSS wartime experience and methodology related to the subject of personnel security -- it knew how to go about the security investigative process;

* See OS-1, I, B, 5 regarding X-2 Branch.

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it knew the value of good security record keeping and of liaison with other established sources of personnel security information; it possessed a fairly accurate picture of the types of individuals who constituted personnel security risks; and, it recognized that good security was essential to the intelligence mission and that every employee should receive comprehensive instruction in security in order that everyone could share in the overall responsibility.

Some problems were also inherited. One of these resulted from CIA's combined mission, which included both the production of national intelligence -- a predominantly overt process -- and the conduct of espionage abroad -- almost totally a clandestine undertaking. The first CIA clandestine office -- Office of Special Operations (OSO) -- was founded upon organization remnants of the OSS, which, following the war, had undergone a brief transitional period as the Strategic Services Unit (SSU) of the War Department.* The balance of CIA, on the other hand, began as the Central

* See OS-1, I, C for description of SSU supporting security organization.

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Intelligence Group (CIG) in January 1946. It was an entirely new organization, and its early personnel body was comprised entirely of individuals detailed from other Federal departments and agencies, combined for the purpose of producing national intelligence reports from all available sources. Following July 1946, when OSO was established as an organizational element of CIG to take over the work of the transitional SSU, it was concluded that OSO's activities were of an inherently sensitive nature, and that therefore its work should be strictly compartmented from the balance of CIG, to the extent of creating a near-autonomous organization-within-an-organization, to include provision for compartmented support services. As a result, there existed under CIG, and during the early years of CIA, two separate security offices with responsibility in the field of personnel security -- one for OSO, and one for the balance of CIG and CIA. Evidences of this early organizational philosophy can still be found today (1972) in the Agency's security processes.

Another reported problem arose as a result of the character of some OSS personnel. Although evidence indicates that by 1943 the OSS Security Office was rejecting personnel possessing questionable

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leftist political ideologies, these persons were not considered as dangerous as those individuals possessing pro-Axis leanings. Furthermore, it was not until about 1943 that OSS's personnel security screening program started to become effective. Many of OSS's operations involved liaison with foreign partisan forces which were oriented toward leftist political philosophies. As a result, a significant number of individuals were employed by OSS whose continued use in the postwar era of intelligence would have been questionable, now that the principal adversary had become International Communism. The author is of the opinion, however, that this was not really a significant problem to CIA, for a variety of reasons which are described below.

Because an organizational continuity can be traced from CIA back to CIG, to SSU, and to the wartime predecessor organizations OSS and COI, one is prone to envision that there was also almost a complete continuity of personnel employed under the several organizations -- this was by no means the case. Undoubtedly, a large portion of the OSS personnel body had been motivated by the "for the duration" spirit which saw almost every segment of the nation's citizenry become involved in some aspect of the war

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effort; with the close-out of hostilities, most of these individuals returned to work in commercial enterprises. That part of the CIG organization involved in early postwar planning, that was also envisioned as collating, preparing, and coordinating national intelligence, consisted by and large of personnel detailed from other departments -- principally the military -- and very few of these had been associated with OSS.

The most significant continuity of personnel was that involved in the OSO, which organization, as previously explained, transitioned from OSS through SSU. This transition, however, was not smooth -- it involved almost a complete stop-and-go process. When OSS was abolished in September 1945, a large number of its employees (1,332), working in OSS's Research and Analysis, and Presentation Branches, were transferred to the Department of State. The remaining OSS personnel (9,058) were reorganized under the War Department, SSU, which was established by an order of the Secretary of War on 1 October 1945. By 19 October 1945 SSU had reduced its personnel to 7,640 and was progressing toward a reduction to 1,915 to be

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accomplished by 1 December 1945. 5/ In short, most of OSS's personnel who had not been transferred to State were given "pink slips."

Furthermore, a significant number of the 1946 SSU and OSO personnel had not begun under OSS. Many of the SSU and OSO personnel, too, were detailed from other departments, and the influence of the military departments was again significant -- particularly in the managerial positions. In addition, an examination of the personnel files of many early CIG/OSO employees reveals that a significant number were hired by SSU during the summer and fall of 1946, only to be terminated one month later and immediately given an excepted appointment with CIG. It is postulated that the DCI was using his authorities related to the close-out of SSU -- which still possessed authority to hire its own personnel -- to bring employees on board CIG, which until January 1946 did not possess authority to hire employees.*

* NIA Directive No. 4 of 2 April 1946 authorized CIG to utilize funds, personnel, and facilities of SSU in the performance of authorized functions of the CIG.

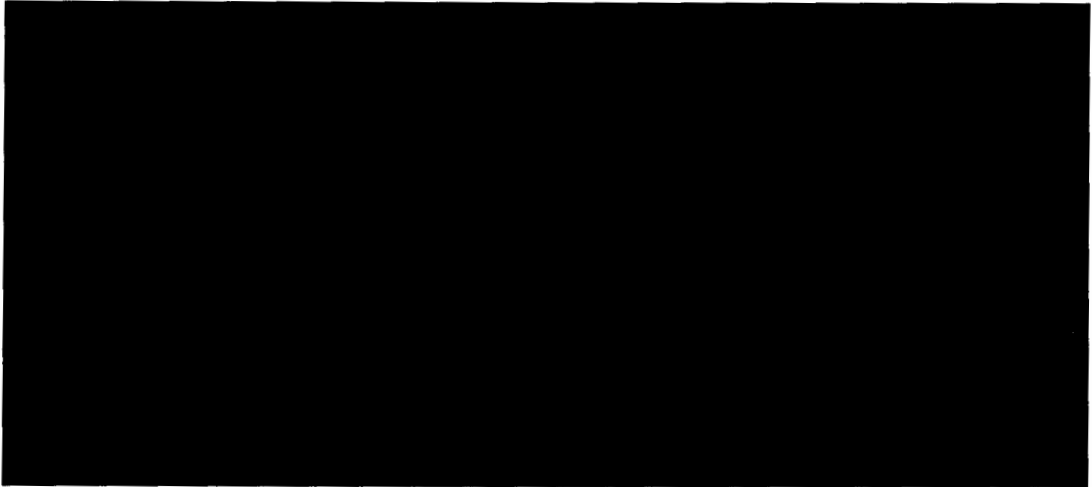
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It is apparent that some of the weeding out of remaining OSS security undesirables occurred under SSU. A former State Department security officer* claims that SSU used the September 1945 Executive Order abolishing OSS to maneuver many OSS potential security risks into organizational elements scheduled for transfer to State.** The author could find no confirmation of this; however, perhaps only by coincidence, a number of the more notorious OSS security risks were transferred to State, from which they were subsequently dismissed following considerable procedural difficulties.***

It is a matter of record that no SSU personnel were transferred from SSU to CIG; all were terminated from SSU and then immediately given excepted appointments with CIG

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following a determination that they possessed utility to the new organization. CIA security personnel dating back to CIG advise that this provided opportunity to screen out undesirable security risks -- particularly important since, until enactment of the CIA enabling legislation, the DCI did not possess authority to summarily dismiss employees for any reason in the interests of national security. Again, however, the author was unable to locate any statistics related to the number of SSU employees rejected for CIG employment as unacceptable security risks.

Undoubtedly, some must have slipped through; by the close of 1954, fifteen Agency employees had been terminated under the DCI's summary dismissal authority. In a number of these cases, the individual's employment continuity could be traced back to OSS. In none of these cases, however, was it established that the individual was engaged in espionage, maintained active membership in the Communist Party, or had disclosed classified information to unauthorized persons. In each case, information was developed of such nature that the continued employment of the individual represented a greater

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security risk than the Agency should assume on a continuing basis. 6/ In deference to the personal reputations of the individuals involved, they are not identified here.

B. Under CIG

1. Establishment of Overt Criteria. NIA Directive No. 1 of 8 February 1946 -- related to organization and functions of the newly created CIG -- authorized the detail of employees from State, the military service departments, and other approved Federal departments, and agencies, to work in CIG. These individuals constituted the original CIG personnel body, since CIG at that time possessed no authority to hire its own employees. On 26 February 1946 the first DCI -- Admiral Sidney W. Souers -- requested that the intelligence organizations participating in the IAB* assign personnel to the Central Planning Staff (CPS -- an early CIG organizational element concerned with policy and planning) who should "be cleared to handle intelligence material." 7/

* IAB: Intelligence Advisory Board -- predecessor of USIB.

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Although it is not clear what Souers meant in his use of the above-quoted phrase, it can be reasonably postulated that he is referring to some -- perhaps as yet undefined -- personnel security selection criteria for intelligence, that were distinct from those applied to the security selection of individuals proposed for access to other forms of classified defense information. In the fifteen months following, prompted by a Congressional investigation, the Federal Executive Branch considered the latter subject in depth, and on 22 March 1947 the first of the Federal "Loyalty Orders" was signed by President Truman,* thus

* EO-9835: this order prescribed minimum security investigative coverage and judgment criteria for employment in the Federal civil service, and it also directed each Federal department or agency to establish a Loyalty Board to adjudicate cases wherein question has arisen concerning any employee's loyalty. The order was directed at the subject of disloyalty, and acts constituting disloyalty under its terms included: the attempted or actual commission of, or preparation leading to sabotage or espionage; knowingly associating with spies or saboteurs; the advocacy of treason, sedition, or overthrow of the US Government through forceful or unconstitutional means; performing duties in a manner favoring foreign interests over those of the US, or intentionally disclosing US information in such manner as to constitute disloyalty; and membership affiliation or sympathetic association with organizations listed by the US Attorney General as totalitarian, fascist, Communist, or subversive.

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laying the original postwar policy basis for the overall Federal personnel security program. But even during World War II, procedures had existed calling for the identification and classification of militarily sensitive information, which included procedures for establishing the reliability of individuals provided access to such information.

It is possible that Souers was referring to personnel security standards applied throughout World War II to individuals having access to communications intelligence (COMINT) information.* COMINT had represented an important Allied intelligence source during World War II, and, because such sources could be easily lost if the opposition became aware that their communications were being read, special security rules were devised to protect these sources. These included more selective choice of individuals provided access to COMINT. Indeed, Souers' parent service -- the US Navy -- had made a practice during the war of refusing to provide the results of its intercept

* Souers may have been attempting to arrange COMINT clearances and access to COMINT, but the first DCI to effect such access for Agency personnel was General Vandenberg. See SIGINT in the Central Intelligence Agency, DCI-4, Dec. 70.

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activities to the OSS. 8/ Events occurring within the first six months following Souers' statement, however, indicated that all security policies affecting COMINT were to be treated separately from those affecting other intelligence source information. Aside from the fact that COMINT procedures called for a rigidly enforced form of compartmentation -- with each individual's COMINT need-to-know the subject of a formal review and determination -- in terms of the stated personnel security standards for COMINT versus those applicable to CIG -- and later CIA -- employment, there appears to have been little substantive difference. This situation was not necessarily true outside the Agency, where COMINT personnel security standards and those affecting other specially compartmented intelligence sources were in accordance with nationally defined specifications; other intelligence source information was handled as just one category of classified defense information, and personnel security screening processes were not nearly so selective.* Undoubtedly, good rationale existed

* OS-8, of this series, I, A, provides further description and insight related to COMINT personnel security policy and procedure.

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favoring more selectivity in the choice of CIG employees, because it could be envisioned that nowhere else in the Federal bureaucratic structure would such a compendium of sensitive intelligence source information and activities exist, and it could be presumed that opposition intelligence services would single it out for special efforts to effect penetration through subversion of its personnel.

On 21 March 1946 the CIG Administrative Officer submitted a memorandum for Souers's signature addressed to security liaison representatives to CIG from the Army, Air Force, Navy, and State. 9/ This memorandum stated that personnel assigned to CIG should at a minimum be subjected to "four-way checks" (MID, ONI, FBI, and local police) and that the detailing department should effect a certification that investigation had been conducted and that the individual was security cleared for handling SECRET and TOP SECRET documents. The memorandum also stated that it was desirable that the individual be a second-generation American, but that this requirement could be waived provided the character and loyalty of the person had been proven in prior government work.

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This memorandum -- unsigned -- was referred to the CIG Central Planning Staff by the DCI on 26 March, and the CPS Security Branch was assigned the task of preparing proposed CIG policy related to the security clearance of personnel.* 10/ Following informal consultation with representatives of the IAB departments and the receipt of formal guidance from the FBI's J. Edgar Hoover, 11/ the CPS Security Branch proposed policy was submitted for the approval of the IAB over the DCI's signature.**

On 9 May 1946, with the unanimous concurrence of the IAB, [REDACTED] subject: Policy for Clearance of Personnel/for Duties with the Central Intelligence Group, was issued. This directive is quoted in part below:

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* The CPS Security Branch was the first CIG organizational component involved in the promulgation of CIG security policy. Following abolishment of CPS Security Branch in July 1946, the security policy function was temporarily performed by the OCD Security Branch -- see OS-1, I, D, 5.

** Officials providing guidance in the preparation of this policy include the [REDACTED]

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3. The accomplishment of the security objective requires that personnel assigned to the Central Intelligence Group be individuals:

a. of excellent character who are native-born citizens of the United States and who have no member of the immediate family or next of kin thereof subject to a foreign power;

b. whose loyalty, integrity, discretion and trustworthiness are unquestioned;

c. whose financial status and habits are such to render unlikely their succumbing to any temptation arising from these sources.

8. Investigation will be conducted to the extent necessary to enable a proper determination of an individual's eligibility in accordance with the provisions of paragraph 3. However, except for those individuals covered by the provisions of paragraph 9, the minimum investigation of personnel as required under the provisions of paragraph 6 will consist of:

a. Records check of the appropriate office of each of the following:

- (1) Department of State
- (2) Federal Bureau of Investigation
(to include fingerprint files)
- (3) Military Intelligence Division,
War Department
- (4) Office of Naval Intelligence,
Navy Department

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- (5) Police Department in each city
of employment and residence
- (6) Credit agencies

c. Character investigation by interview with personal references of the individual and with a minimum of three other persons who have knowledge of his activities over a period of time sufficient to enable a determination as to his character and integrity. 13/

Additional provisions of the directive required the detailing department to investigate the individual, provide clearance to handle TOP SECRET information, and certify to CIG that the individual had been investigated pursuant to the directive's provisions and was eligible for assignment thereto. Reports of investigations were to be reviewed by the CIG Security Officer,* and final decision as to acceptability of any individual for CIG assignment rested with the DCI. If a previous satisfactory background investigation existed, or if other available evidence indicated a minimum of ten years honorable Government service and no subsequent information

* The first CIG Security Officer, so designated was Lt. Col. Claude D. Barton (May 1946-July 1947). From 6 September 1946 to 1 July 1947, Barton also functioned as the Chief, Security Division, under the Executive for Personnel and Administration (P&A).

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of a questionable nature existed, these could substitute as the basis for clearance of the individual for duties with CIG, although it was additionally required in such cases that a minimum check of the files of State, FBI, MID, and ONI be made prior to issuance of the clearance. Under express conditions, and with the approval of the DCI for due cause, personnel could be assigned to CIG prior to, but contingent upon subsequent completion of the required security processing. Any exceptions to the provisions of the directive required the unanimous concurrence of the DCI and all member departments of the CIG.

On 6 September 1946 the War Department General Staff Director of Intelligence advised the DCI that the volume of work otherwise being performed by the War Department's investigative services did not permit them to undertake the additional burden of investigation of CIG assignees to the expanded specifications

25X1A prescribed under [REDACTED] 14/ Consequently, on 4 October

25X1A 1946 the IAB rescinded [REDACTED] and concurred in a DCI proposal that the CIG undertake the responsibility for all future security investigations required to clear its personnel, subject

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to the same standards as established by [REDACTED] except 25X1A
for exemptions authorized by the DCI. 15/

Following this decision, CIG requested the FBI to perform
the security investigations incidental to clearance of its em-
ployees, and in late September of that year the FBI agreed to
do so. 16/ Additionally, on 25 October 1946 the policy on
clearance of personnel for duties with CIG was restated in CIG
25X1A [REDACTED] 17/ In addition to no longer re-
quiring the detailing department to conduct the security screening
of CIG assignees, the order dropped the requirement that CIG
personnel be native-born US citizens, and now required only
that they be US citizens possessing no member of the immediate
family or next of kin subject to a foreign power. *

25X1A CIG [REDACTED] related only to the
screening of personnel for assignment or employment with

* This change was made at the request of the Assistant
Director, Special Operations. 18/ Policy on clearance of
25X1A personnel for duties with CIG was again restated in CIG
25X1A [REDACTED] 1947; there were, however,
no substantive changes at that time. 19/ Administrative
[REDACTED] 1950 required that individual be
a citizen of the US at least five years.

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CIG; it contained no provision for the termination of security risks already onboard. In all probability, if it had developed that such an individual had slipped through the screening process during the early months under CIG, DCI negotiation with the individual's parent service or department would have brought about a rapid reassignment of the individual. There are no known cases where this occurred, however, and, until the effective date of the CIA enabling legislation in September 1947, the DCI did not possess authority to summarily dismiss employees for any reason in the interests of national security -- an authority which had existed in the persons of the Secretaries of War and Navy since June 1940, and in the Secretary of State since July 1946. Until September 1947, the DCI was limited to the somewhat restrictive guidelines prescribed by existing legislation, and later Executive Orders applicable to the overall Federal structure (in addition the several other maneuvers previously described) to rid himself of security risks already onboard. A CIG Personnel Loyalty Board was established pursuant to the provisions of E. O. 9835 on 16 April 1947;

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board.* 20/ The CIG Personnel Loyalty Board was automatically abolished upon creation of the CIA. Only one case was referred to this board and the case was rejected due to insufficient evidence of disloyalty, without notification to the employee.

2. Divided Responsibility Under CIG. As previously stated, the personnel security screening responsibility under CIG and early CIA was divided between two offices. Early personnel security considerations related to non-OSO employees was at first the business of the CIG Administrative Office, and, following 6 September 1946, the Security Division under the Executive for Personnel and Administration. This division, which by the close of 1946 consisted of ten employees under the direction of Lieutenant Colonel Barton, also concerned itself with physical security matters. Following the

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FBI's September 1946 agreement to perform security investigative services for CIG, these FBI investigations served as the basis thereafter for the security assessments of prospective CIG assignees and employees which were performed by the Security Division. There is also evidence that during the summer and early fall of 1946, the Security Division used the investiga-

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employees proposed for continued employment under CIG.

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brought on board prior to completion of full security processing -- although subject to subsequent completion thereof -- because of the low level of sensitivity attached to their total access. It is apparent that the DCI's lack of summary dismissal authority

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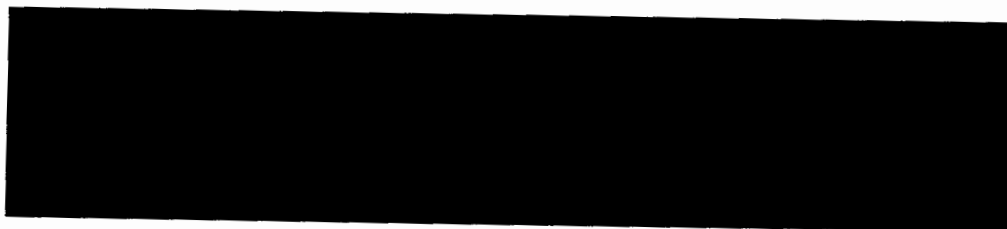
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The purpose of these checks was to provide some assessment of the individuals prior to contact, thereby hopefully establishing their reliability and providing some basis upon which to judge the integrity of such intelligence sources. Even in the early years under CIG, this case load was fairly significant, with 223 such requests for information made of other departments and agencies during January 1947. 22/

To provide a complete range of support services to OSO on a compartmented basis, the Project Support Division was created under the CIG Executive for Personnel and Administration effective 4 December 1946. 23/ The division included a Special Security Section headed by [REDACTED] The PSD 25X1A Special Security Section became in effect the heir apparent of OSS Security Office. It rendered its services exclusively in support of OSO, which was itself the heir apparent of SSU -- the SSU Security Office by this time had been abolished and its assets and functions integrated into CIG. In November 1946 a

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Throughout the SSU and CIG transitional period the vetting and security approval of operational personnel continued to be exercised by X2-type organizational components, with the SSU Security Office and the PSD Special Security Unit supporting the effort through the acquisition of personnel security information available from domestic sources.

These procedures remained in effect even following the 1 July 1947 creation of the Inspection and Security Office (I&SO) which brought about a merger of functions previously

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exercised by the OCD Security Branch (concerned with security policy) and the Security Division of P and A (concerned with the security of CIG overt personnel and facilities). * The Special Security Unit of the PSD was transferred under the immediate supervision and direction of the ADSO, where it became the Special Security Division (SSD) of OSO, and it maintained the almost exclusive responsibility for security support to OSO personnel and facilities. An August 1947 delineation of responsibilities between OSO and I&SO included provision that OSO would be responsible for the personal security of all covert and semi-covert personnel, and for all

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and, when requested, for other offices of CIG. 26/

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consolidated all of I&SO's security functions -- as contrasted to his inspection function which equated to that of an IG --

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within the I&SO Security Division; which, like the Security Division of P&A, initially possessed no security responsibilities related to OSO personnel.

C. Early CIA Program (1947-54)*

1. The Initial Chaos (1947-50). With the establishment of the CIA in September 1947, CIG's I&SO became the Inspection and Security Office of CIA, with its precise functions and modus operandi still undergoing a process of definition.

Almost immediately, the Agency's personnel security screening processes were thrown into a state of chaos when, on 30 September 1947, J. Edgar Hoover formally advised the DCI that,

in view of Executive Directives and action taken by the Congress of the United States, additional responsibilities have been placed on the Federal Bureau of Investigation which make it impossible for this Bureau to continue the present arrangement which

* In the interest of clarity, the balance of this chapter and the following chapter, are devoted exclusively to the subject of personnel security screening. The subjects of "Security Records" and "The Ongoing Personal Security Program" are discussed separately in Chapters II and III. Chapter IV discusses events affecting the overall program between 1963 and the close of 1968.

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exists between the Central Intelligence Agency and the FBI for the conduct of applicant investigations.

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Events which followed, including the August 1948 consolidation of the OSO Special Security Division under I&SO, the establishment of CIA applicant investigative service -- the Employee Investigation Branch (EIB) -- under the Executive for I&S, the December 1948 FBI agreement to again undertake applicant security investigative service for the Agency, and the subsequent abolition of EIB, have all been fully described in a prior volume in this series.* For the purposes of this volume it is important to stress that these events seriously prejudiced the Agency's personnel security program during a period when the CIA was undergoing considerable expansion of its personnel body; and, additionally, the merger of the two CIA security offices -- occasioned by these events -- remained in effect, even following FBI resumption of applicant investigative services. Following the second termination of FBI investigative services in December 1950 -- also described

* OS-1, An Overview, II, D.

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Throughout this chaotic period, however, a number of refinements were made to the program. For example: activities of the Agency's Office of Operations, related to the ex-

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interest for the acquisition of intelligence, resulted in consultation during the winter of 1947-48 to arrive at procedures to effect an appropriate security screening of the individuals to be used as "contact" sources. In January 1948 it was agreed that

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under consideration, which would be furnished to I&SO. 28/ I&SO, following National Agency and other appropriate checks, would then perform a security assessment and would grant either an approval, a limited approval, or a disapproval for

* OS-1, An Overview, II, E.

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contact based upon its assessment. In the case of a limited approval, I&SO would advise OO/Contact Branch of the qualifying information, and specify the limitations that should apply to any use of the contact. No approach would be made to disapproved contacts; although, where special intelligence collection considerations existed, OO could request I&SO to reconsider the case and grant a limited approval.

On 5 November 1948, the ADSO and Executive for I&S agreed that the latter would determine security approval or disapproval of all OSO staff employees -- vouchered and unvouchered -- subject to the right of the ADSO to request consultation, appeal, or waiver of the restrictions concerning foreign family connections. 29/ At last, at least as it pertained to the security screening and selection of Agency staff employees, CIA's security officer was to assume the full measure of his rightful responsibility.

It is apparent, however, that still another personnel security matter concerned Edwards, and this was to find some means whereby there would be a more consistent approach to the personnel security screening of agents and the other

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security clearance processing of contractors' personnel was handled exclusively by the Security Division. By the close of 1954, however, the CIA had become involved in the large-scale secret development of the U-2 aircraft. Contractors' personnel associated with the U-2 Project were security processed and cleared by SSD, and the security nomenclature, Covert Security Approval (CSA), was applied to these cases. This situation prevailed throughout later CIA compartmented research and development programs, with the result that the Security Division was responsible for clearing contractors' personnel involved in contract activities under the supervision of the Director of Logistics, and SSD for those involved in contract activities delegated by the DCI direct to other CIA contracting authorities.

Following the second termination of the FBI security investigative support to the CIA in December 1950, rather than reactivate the EIB, Edwards chose to expand the SSD field office structure to accommodate the needs of both overt and covert security case processing. Additionally, in October 1950 the

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[REDACTED] had been established

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under the Security Division to conduct the CIA polygraph program. By 1952, the CIA polygraph program under I&SO was

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 providing support to the security screening processes related to both overt and covert cases. Thus it evolved that, although the clearance determinations of SD were exclusively related to overt cases and those of SSD to covert cases, SD and SSD provided support to both overt and covert security case processing. By the close of 1952 the Agency's overall modus operandi related to personnel security screening had begun to arrive at a relative degree of stability.

2. Later Adjustments (1951-54). In June 1953 the overall responsibility for deciding upon individuals to be employed in CIA -- subject to security and medical clearances, and with psychological testing provided by OTR -- was vested in the Office of Personnel (OP). 35/ To assist in determining the overall suitability of individuals for Agency staff employment, an MPS (Medical, Personnel, and Security) Panel was established in

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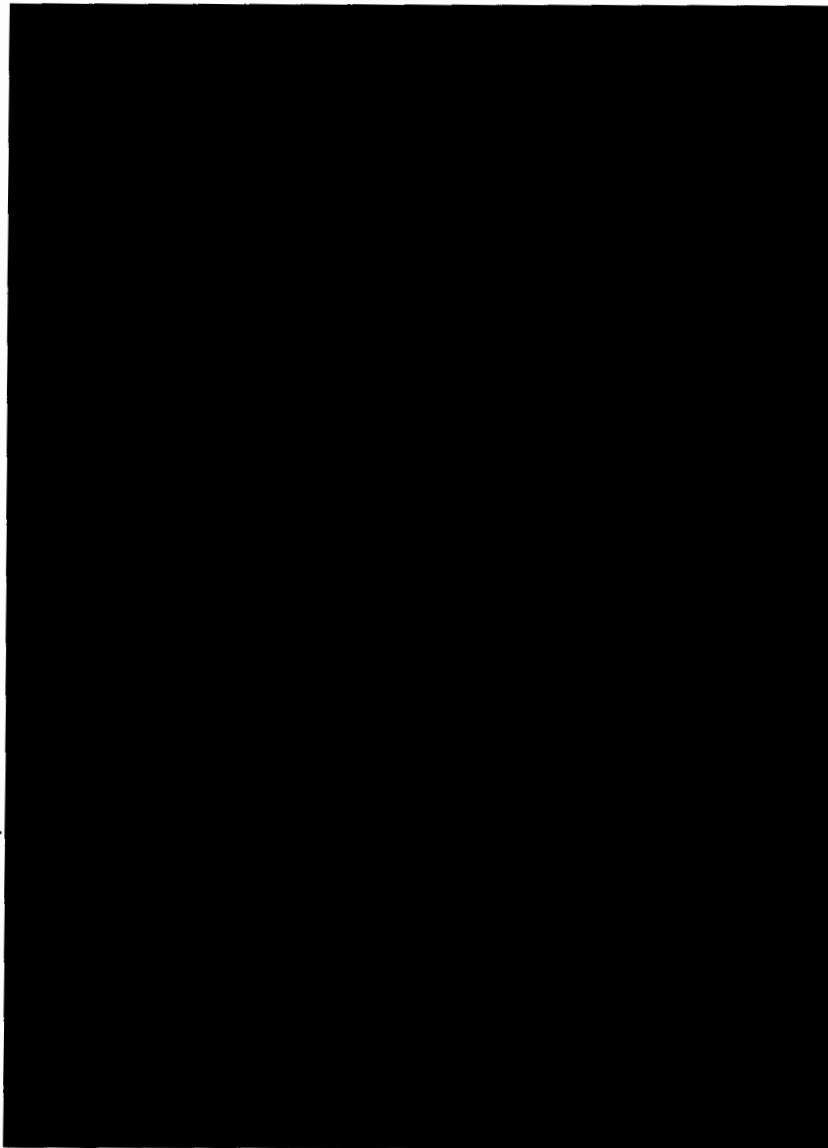
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July 1953.* 36/ This panel, comprised of representatives from the Medical, Personnel, and Security Offices, assessed cases where questionable information existed, but not of such nature as to warrant denial of either a security or medical clearance. Individual cases were referred to the panel at the discretion of any one of the three participating offices. This also made possible the discreet exchange of views and information obtained from medical and security sources, thereby resulting in a better overall assessment of an individual in terms of his suitability for engaging in activities such as those in which the CIA was involved.

The matter of procedures related to the personnel security screening of clandestine personnel continued to be the subject of controversy. During the spring and early summer of 1952, J. Patrick Coyne, Assistant to the NSC for Internal Security Affairs, conducted a survey of I&SO at the request

* Today's (1972) successor to this panel is called the Applicant Review Panel (ARP).

of the DCI. In his report dated 25 July 1952, Coyne advised that there was considerable room for improvement in the processing of covert personnel cases. His survey had indicated the following areas of deficiency:



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necessity of furnishing required information to I&S in order to facilitate the conduct of adequate investigations and name checks on all covert personnel cases.

. . . that I&S be notified by all segments of the Agency whenever a decision is made with respect to the use or nonuse of any individual considered for covert duties on behalf of CIA. 37/

Coyne's survey and recommendations were based entirely on his observations of I&SO -- he interviewed no DDP personnel. Consequently, it is possible that opposing arguments were not duly considered.

During the summer of 1954, however, also at the request of the DCI, a special study group headed by Lt. General James H. Doolittle conducted a survey of the Agency's DDP complex. Concerning security, the Doolittle group made several recommendations, including that there be:



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* It is notable that J. Patrick Coyne was a member of the Doolittle special study group.

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delegated representative for security matters; security is indivisible; the Agency can not alibi insecure operations by pointing to secure staff functions; there is no solid line of demarcation between covert and staff employees -- together they form the sum total of the Agency's staff and field work; the Director of Security should play an influential role in the security approval of all categories of Agency personnel -- the prospective employer of the individual, very apt to be influenced by operational pressures, should not be the authority who security-evaluates him; to perform its security function OS requires all pertinent information including proposed usage, background, and investigative information et al. -- two half-investigations do not make a whole; and, the Director of Security's role so stated would not constitute a "meddling" into the affairs of the DDP, but rather a viable method of discharging the DCI's responsibility for the protection of intelligence sources and methods.

The DDP had a different point of view: the conduct of clandestine intelligence activities requires the taking of calculated risks -- these can be compensated for through the

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use of operational controls; the operational components are in the best position to evaluate the risk against the proposed usage, and implement appropriate controls where needed; excepting certain types of personnel who should be security processed in a manner similar to staff employees, OS should play only a supporting role in the security processing of covert personnel; and, to this end, and recognizing the sensitivity of the Agency's clandestine activities, there was much that OS did not need to know in order to perform its support function.

Edwards formally presented his arguments to the DDCI; 40/ Frank Wisner, the DDP, presented his to the DCI. 41/ Both Edwards and Wisner were adamant with respect to their viewpoints; but finally, on 23 December 1954 Edwards and Wisner advised the DCI that they had reached a workable agreement. Their brief, jointly signed memorandum to the Director, however, did not disclose details of this agreement. 42/ These details were revealed in the January 1955

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rector of Security's responsibilities related to the granting of operational and covert security approvals to the Chief, CI Staff, and the Chief, SSD, respectively, and stated the basic intent that sensitive operational data remain within the custody and knowledge of DDP, and sensitive security investigative data remain in the custody and knowledge of the Security Office, while still allowing for the necessary discreet exchange of information as necessary to the work of either component. All background, investigative, and security information -- either available or readily obtainable -- would be provided the Security Office via CI Staff; all record checks and/or inquiries in the United States, except for the checks of certain CIA records, were reserved to the Security Office.

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Chief, CI Staff would be responsible for the granting of Operational Approvals.* OS would perform all domestic inquiries related to such cases and forward the results to CI Staff -- except in those instances where sensitive personnel security information was of such nature as to warrant its retention in OS -- and would also include a recommendation concerning the case. CI Staff would provide a brief practical statement of the scope and nature of the proposed usage to serve as a basis for OS's assessment of the individual. In those cases where OS recommended against use of the individual, and the DDP nevertheless decided in favor of taking a calculated risk, OS would be so advised. In case of either approval or disapproval, OS would be advised of the DDP decision, and where an OS recommendation was being overruled, CI Staff would wait five days before granting the OA to permit consultation, and, if necessary, rejoinder by OS.

OS was responsible for the issuance of Covert Security Approvals (CSA). In the event of disapproval, however,

* Terminology change from Operational Clearance to Operational Approval (OA).

provision was made for consultation between OS and CI Staff so that an attempt could be made to reach agreement in the event the DDP still desired to use the individual on a calculated risk basis. In CSA cases, OS would retain all investigative information except where necessary to explain the basis of its disapprovals and give the CI Staff an opportunity to request reconsideration. No further clarification was provided concerning the types of individuals appropriate for OA versus CSA, therefore it was presumed that prior definitions which were based upon CIA confidential funds regulations continued in effect. Provisional or preliminary OA's and CSA's prior to completion of full security processing were allowed, subject to temporary restrictions on the full use of the individual.*

It is quite apparent that Edwards did not get all that he sought in the area of covert personnel security screening.

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It is equally apparent, however, that his "heel biting," aided by the recommendations of external survey groups, succeeded in putting the matter on a much more professional and effective basis.

Authorities and procedures related to the termination of CIA employees as security risks also became more clearly defined by 1954. The Agency's enabling legislation had contained the following provision related to the dismissal of employees whose continued employment might constitute an unacceptable security risk:

Notwithstanding the provisions of Section 652 /now 7501/ of Title 5, or the provisions of any other law, the Director of Central Intelligence may, in his discretion, terminate the employment of any officer or employee of the Agency whenever he shall deem such termination necessary or advisable in the interests of the United States, but such termination shall not affect the right of such officer or employee to seek or accept employment in any other department or agency of the Government if declared eligible for such employment by the United States Civil Service Commission.*

* Subparagraph (C), Section 102, National Security Act of 1947.

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Consequently, effective upon the date of the Agency's establishment, the DCI designated an Employee Review Board, chaired by the Executive Director, to advise him on a just and equitable exercise of this new authority in individual cases brought to his attention. 45/

Because CIA now possessed a more expedient, legal alternative procedure for the dismissal of employees on security ground, an Agency loyalty board -- as required by provisions of EO-9835 -- was not immediately established under CIA. Following considerable prompting on the part of the Civil Service Commission, a CIA Loyalty Board was finally established on 23 August 1948 -- almost one full year following the establishment of the Agency. 46/

What resulted, however, was a duplicative process, whereby some cases were submitted first to the CIA Loyalty Board for adjudication under EO-9835's provisions, following which -- if the decision of the board favored retention, and in the opinion of Chief I&S the case required additional consideration -- the case would be submitted to ERB. A number of individuals approved by the Loyalty Board

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for retention were subsequently recommended for dismissal by ERB, because the latter board possessed broader discretionary powers.* Nevertheless, because CIA as a Federal agency was also bound by the provisions of EO-9835, the procedure was continued.

After EO-9835 was superseded by the issuance of EO-10450 on 27 April 1953, the loyalty boards were abolished, and each department and agency head was made responsible for insuring that all employees met the strict loyalty requirements prescribed in the order. In the event that the decision was contested by the dismissed employee, EO-10450 provided that a hearing of the case would be conducted by a Security Hearing Board composed of impartial officials selected by CSC from departments and agencies other than the one

* See Table 1, Security Dismissal Processing 1946-54, p. 78. Since many individuals voluntarily resigned from CIA upon being confronted with the results of polygraph examinations, Table 2 is also included to demonstrate this statistical factor. Most of

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Table 1

Security Dismissal Processing (a)
1946-54

<u>Cases Processed</u>		<u>Dismissals</u>
EO 9835 (CIG)	1	0
EO 9835 (CIA)	62 (b)	0
EO 10450	1 (c)	0
ERB	<u>39 (plus 2 pending)</u>	<u>16</u>
Total	103 (d)	16

-
- a. For source of statistics, see source reference 47/.
- b. Provisions of EO 9835 required that an investigation be conducted by the FBI in all cases involving a question of loyalty, including membership in any organization cited by the Attorney General as subversive. Consequently, many cases were processed under EO 9835 due to technical considerations despite the fact that available information had already absolved the individual of disloyal intent.
- c. Only one case was heard by a CSC-constituted Security Hearing Board under the provisions of EO 10450.
- d. Actually only 100 individuals were involved, since some cases were processed under more than one procedure.

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Table 2

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- 2
-
- a. For source of statistics, see source reference. 48/
 - b. EOD -- employees entering on duty.
OB -- employees already on board.

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by which the individual was employed. On 6 May 1954 the DCI sent a letter to the US Attorney General, in which he referred to earlier guidance provided by the latter related to EO-10450. 49/ The DCI stated that the provisions of EO-10450 did not fully meet the needs of CIA, and that the authority granted him under the National Security Act of 1947 met both the needs of the Agency and the national security intents of EO-10450 without limiting the DCI's authority for termination by referencing the case to any board selected by the CSC. Consequently, from that time forward, the Agency followed a singular procedure related to the dismissal of employees for reasons of security, and this procedure was based upon the DCI's summary dismissal powers.

3. Later Organization and Overall Statistics. Throughout the 1950-54 period, the Security Office organizational elements concerned with personnel security screening continued under the divided supervision of the Security and Special Security Divisions. Under the Security Division, the Personnel

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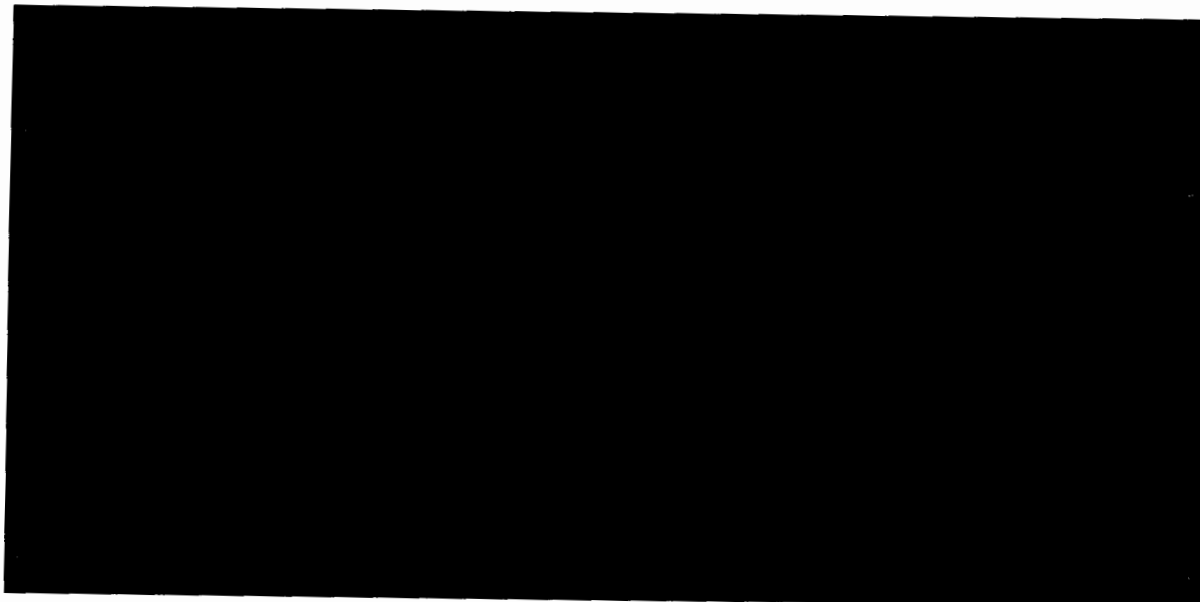
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Table 3

Number of Security Office Screening Actions (a)



- a. All totals represent only those cases carried through to fruition; cases canceled while in process are not included. For source of these statistics, see Source Reference 50/.
- b. Covering only the six months of I&SO's existence during 1947.
- c. Prior to 1948, OO/Contacts Branch performed little preliminary screening of potential contacts prior to initiating the security checks. Following consultation between the Agency's Deputy Security Officer and officials of the Contacts Branch, the volume of these cases was reduced sharply.
- d. This 1954 figure was arrived at by making appropriate deductions from an overall case processing figure. Its accuracy, however, must be considered tenuous; the author was unable to locate any more reliable source.

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D. The Later Period Under Edwards (1955-63)

1. Organization, Trends, and Statistics. The principal effect of the OS reorganization of 5 December 1954 was a general upgrading of the overall office organizational structure.* What had previously been three Divisions and four staffs, became two office Directorates and five staffs.** The Security and the Special Security Divisions became the Physical and Personnel Support and the Investigations and Operational Support Directorates, respectively -- both headed by functional Deputy Directors of Security (DD/PPS and DD/IOS). Responsibilities for, and overall methods of, operations affecting the personnel security functions were essentially unchanged.

Supporting the personnel security screening processes -- 25X1A overt and covert cases -- was the [REDACTED] Branch of the Personnel Security Division under the DD/PPS

* See OS-1, III, A, for further details concerning this reorganization.

** A small Inspection Division was redesignated the Inspection Staff.

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(conducting polygraph interviews), and the OS [REDACTED]

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25X1A [REDACTED]

Case processing controls, and assessments and judgments were performed by the PSD Clearance Branch (under DD/PPS) for overt and semi-covert personnel, and the Security Support Division's Investigations Branch assisted by the Correspondent and Records Branch (both under DD/IOS) for all covert personnel.*

The year 1955 saw CIA embark upon a program involving temporary employment of children of Agency employees to alleviate critical clerical shortages occasioned by summer vacation scheduling. Dependent children of high school and college ages were employed during the summer months to work in areas and activities where their access could be limited to the SECRET security classification level. Having available complete security records related to the employed parent, and by requiring the employed parent to sign a statement acknowledging responsibility for the dependent, it

* See Figure 1, Office of Security Organizational Chart, 6 December 1954.

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was possible to establish the proposed summer employee's reliability with a lesser scope of investigation than that required for full staff employment. 51/ These dependents were investigated by OS during the spring to enable selections to be made prior to the end of the school year. This program is still in effect today (1972) and the Agency's summer employee program continues to be limited in participation to only children of employed CIA parents.

The prevailing trend during the 1954-63 period was one which saw personnel security screening procedures stabilized, but a considerable expansion of personnel security screening support provided by OS to large-scale Agency clandestine and/or covert activities. It was in 1955 that the Agency's clandestine development of the U-2 Project got seriously underway. This necessitated the security investigation and clearance of large numbers of US industrial contractors' employees. Although the major developmental aspects of this project were over by 1958, other similar special projects were undertaken by the Agency's Development Projects Staff (DPS, later the Development Projects Division of DDP--DPD/DDP)

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Overall covert case processing conducted by the DD/IOS ebbed in 1958 and rose sharply during the 1961-62 period. Table 6 provides a statistical compilation of covert clearance case processing for the years 1956 through 1963 inclusive.*

There were several minor organizational adjustments during the 1954-63 era which were principally designed to provide more effective support to Agency operations, based upon shifting areas of emphasis in overall CIA activities. A reorganization of the Special Security Division in October 1956 resulted in the establishment of six desks under the

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* Also see Table 7, p. 94, which provides yearly totals of cases processed (overt, semi-covert, and covert) requiring full background investigation as opposed to only selected national agency checks.

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[REDACTED] 62/ The justification for the September 1962 change was to accommodate increased Agency activity related to proprietary organizations and special intelligence projects involving large-scale industrial research and development programs.

Although more fully discussed in another volume in this series,* another change in OS personnel security organization was the 1 May 1957 raising of the [REDACTED] Branch of the Personnel Security Division to full Division status under the DD/PPS. The 13 October 1958 consolidation of the theretofore separate DD/PPS and DD/IOS record-keeping functions under a newly created Security Records Division (SRD) is described in the following chapter of this volume.** 25X1A

Following the 1957 separation of the [REDACTED] Branch, the Personnel Security Division under the DD/PPS consisted of two branches: the Clearance Branch (CB) and

* See OS-9, Polygraph Program, III, A.

** See II, B, below.

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Although the work of PSD's Employee Activity Branch related principally to the "ongoing" personnel security program, which is discussed in a subsequent chapter***; one aspect of EAB's work related to personnel security screening. This was in the area of liaison clearances -- a security approval action required before Agency classified information can be discussed with representatives of other US Federal departments and agencies. Currently applicable (1972) [REDACTED], which in substance is similar to earlier Agency

* EAB is discussed fully in III, C, below.

** MPS (Medical-Personnel-Security) Panel; see I, C, 2, pp 62-63, above.

*** See III, below.

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regulatory issuances covering this subject, holds the Director of Security responsible for granting security approvals for liaison contacts. As a matter of jurisdictional expediency, the procedure principally depends upon OS accepting the integrity of actions of other departments and agencies in security clearing their personnel to the SECRET and TOP SECRET levels in accordance with the prevailing Federal orders and regulations. The individual's existing level of security clearance is verified, usually through the simple expedient of a telephone call. OS, however, also checks its own files and indices, and, when unfavorable information is developed, OS may disapprove the liaison contact, prescribe limitations to the extent and nature of the contact, or attempt to reconcile the matter with the individual's parent department -- whichever is more appropriate to the particular circumstances.

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were of substantially the same nature, however, it was

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2. Refinements and Additions to the Program. The years 1954 through 1963 saw refinements and additions to the personnel security screening processes, and consideration given to still others.

a. Spouse Investigations

Recognizing the close personal relationship involved in the marital association, OS has always considered information concerning the non-Agency-employed spouse in assessing the security reliability of Agency applicants, and procedures were early implemented calling for certain limited checks and investigation of the spouse, in addition to those conducted on the applicant. On 29 December 1955 the DDCI, due to his

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following local investigation by available US investigative facilities (these were stipulated in the case of each bureau) subject to such other domestic US investigation as might be appropriate to the individual case, and full clearance by OS. 66/

c. Terminations

Although all CIA employees suggested for termination as potential security risks following 1954 were processed pursuant to the DCI's legislatively enacted summary dismissal authority, the DCI could, nevertheless, exercise the procedures available to him under EO 10450 -- it was only necessary to decide upon which procedural route to follow and, once having made this decision, he was apparently bound thereafter to it. 67/ The last case processed to a CSC-constituted Security Hearing Board under the provisions of EO-10450 was in 1954, and, oddly the case did not result from an appeal; resort to EO-10450 by the Director on this occasion was influenced by public and congressional relations considerations. This case involved an Agency official whose association with a questionable organization had been the subject of some

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notoriety during a period when the Senate Committee on Internal Security was conducting inquiry into possible Communist penetration of the Federal government. Although CIA and the DCI were convinced of the individual's loyalty, the DCI felt that it was in the best interests of the Agency for the matter to receive a full hearing by a CSC impartially-constituted Security Hearing Board. Upon ascertaining from CSC that such procedure would be appropriate in the case of an employee not dismissed, and therefore not appealing a dismissal action, the DCI so processed the case under EO 10450 -- with the individual's personal acquiescence -- and the SHB ruled favorably as to the individual's loyalty. 68/

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 brought to a close a five-year period wherein the status of the Agency's Employment Review Board had apparently vacillated between that of a standing board and that of one to be constituted on specific occasions at the discretion of the DCI. 69/ On the matter of involuntary separations, it cited the DCI's legislatively enacted summary dismissal authority, and it charged the Director of Personnel, acting on information provided by the Deputy Directors, operating

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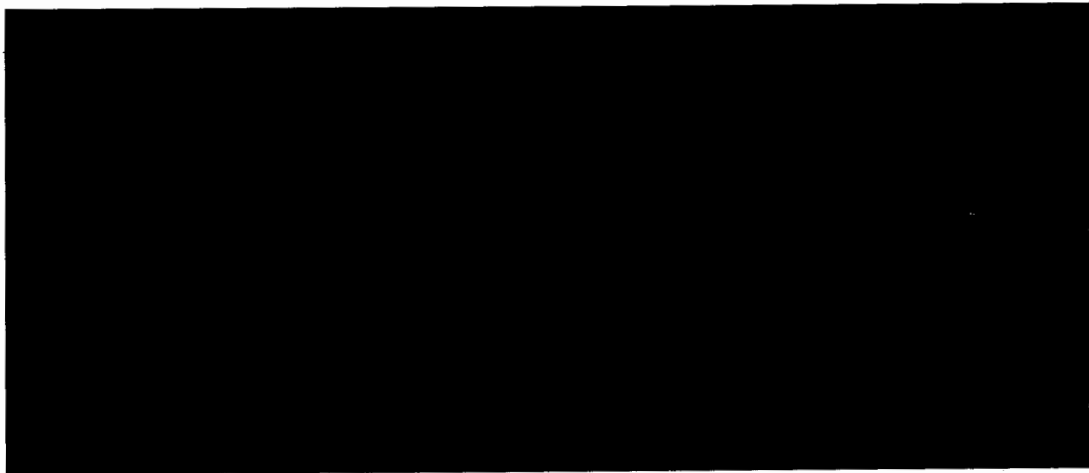
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officials, heads of career services, the Director of Security, and Chief, Medical Staff, to recommend appropriate action to the DCI in cases suggesting exercise of the Director's summary dismissal authority. The regulation added that the DCI "may appoint an Employment Review Board to advise him on any particular case."

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Since the [REDACTED] the DCI has not chosen to convene an ERB. Since 1964, Agency regulations covering the subject have made no mention of the Employment Review Board mechanism.*

25X1A Two subsequent court cases wherein the DCI summary dismissal powers also upheld actions taken by CIA to terminate



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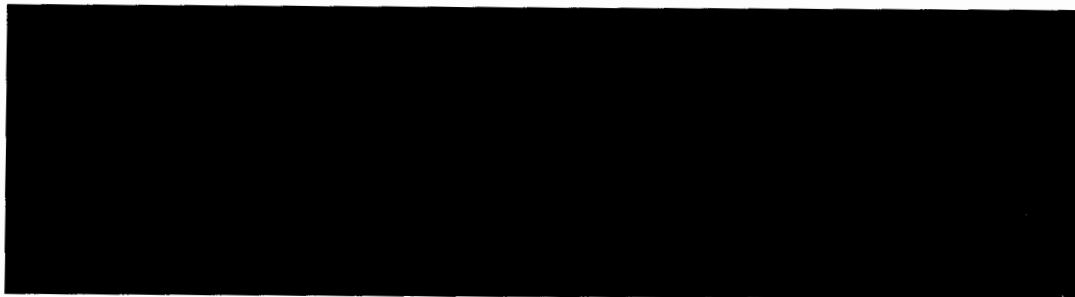
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the plaintiffs.* In one of these cases [REDACTED] the court noted "that the statute vests in the Director of the Central Intelligence Agency a broad discretion to terminate employees in the interest of the United States, but it is to be distinguished from a so-called 'security' discharge as was involved in Service v. Dulles [a State Department case] and related cases." 75/ Consequently, current Agency regulations related to the matter of involuntary separations do not distinguish between those based upon security versus other considerations, although the basis for all such actions is the Director's legislated authority.

d. Military Assignees

Since the inception of CIA the Agency has used its own facilities to conduct security investigations of military service personnel detailed to CIA -- a proposition which on its face

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suggests the possibility of jurisdictional problems. In November 1960 the Navy took issue with the Agency's practice of investigating US Navy detailees. 76/ The Agency refused to back off; however, it was agreed that OS would provide summaries of its investigations of Navy service personnel to the Director of Naval Intelligence. 77/

e. GSA and Others

OS procedures also provided for its investigation and approval of GSA employees assigned to work in Agency facilities. It had commenced investigation of charforce personnel in January 1954, 78/ and the investigation of GSA guards had been a practice dating back prior to 1950. With the Agency's move to its new headquarters building in Langley, Virginia in 1961 -- because of the compendium of sensitive information and activity now under one roof -- procedures were implemented requiring the polygraphing of all GSA personnel working at the Langley facility. 79/ Use of the polygraph was also extended to cases involving C&P Telephone Company servicemen and certain concessionaires. 80/ Contractors' employees engaged in construction of the new building too were subjected

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to limited security investigation, but the polygraph was not used in these cases.

f. Evaluation Standards -- An IG Recommendation

In its 1960 report of inspection of OS, the IG recommended that the DDS designate the Director of Security, Chief, Medical Staff, and the Director of Personnel, jointly and in collaboration with other appropriate elements of the Agency, to develop a research program to provide a better basis for estimating preemployment security risks. 81/ The IG noted that the guidelines used by OS appraisers might be open to question in that their recommendation in "gray area" cases was based upon long experience in personnel security assessment work, and no extensive research program had ever been conducted to establish criteria to assist in the identification of potential security risks. Although the precise format for such a research program was not stated by the IG, it noted that the Medical Staff was already engaged in research pertaining to selection of personnel which bore in part on the security problem.

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On 20 September 1961, after consulting with other offices, Edwards advised the DCI that there was and had been no such research program elsewhere in the Government, and consequently the Agency would have to base such a program entirely on its own resources. It was estimated that a two- to four-year effort would be required to analyze all available data, and there was no assurance that such a research program, if undertaken, would produce any tangible benefits. Edwards recommended, therefore, that he (Edwards) undertake to:

a. Insure that the Medical Staff research program would be supported by other offices and that the Security Office would contribute to, draw upon, and learn from that program.

b. Improve further the coordination among the Offices of Security, Personnel, and Training and the Medical Staff, and to utilize even more the existing mechanisms for feed-backs on problem cases and the lessons that can be learned from them.

c. Instruct the Director of Security to intensify the less formal research programs and projects and studies underway in the Office of Security. 82/

The DDCI, General Cabell, acting for the Director, approved Edwards's recommendations. While it would be desirable to have more definitive, proven criteria upon which to judge the

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personnel security risk, the practicalities of the situation -- including the unpredictable nature of the human will -- suggest that such criteria will in all probability never be forthcoming.

g. New Problems in Covert Case Processing

25X1A The problem of covert case processing during the 1955-63 era changed from one involving a DDP-OS division of responsibility to one involving definitions. Throughout the winter of 1956-57, an Agency committee, constituted at the direction of the DDCI, studied the matter of CIA contractual relationships with individuals for the purpose of developing suitable regulations governing the subject. As a result of the committee's study, [REDACTED] which rescinded applicable provisions of Confidential Funds Regulations (CFR) governing personal service contracts, replacing an existing ten contract categories with two legal categories -- Contract Employee and Contract Agent -- and one functional category -- Career Agent. The regulation also changed the concept of the Career Agent as an individual having durable, built-in cover, to an individual representing a long-term Agency asset with the nature and depth of cover only of secondary importance.

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At the insistence of OS, the Contract Employee category was further divided into Contract A and Contract B, with the former required to meet staff employment security standards, and the latter not so required, but whose access was to be correspondingly limited. On 12 December 1961 Edwards advised the Director of Personnel that recent actions by OP and the Clandestine Service repeatedly transferring personnel back and forth from contract agent to career agent, and from staff agent to staff employee status, to meet the requirements of some particular Agency personnel programming or slotting action had resulted in a deterioration of the accepted definitions for agents (implying a clandestine association) and employees. Consequently access to Agency facilities was being provided to many personnel, where the extent of such access had not been considered (or had been misunderstood) at the time of the security assessment of the individual -- in one case an Agency badge had been requested for a "career agent." 83/

Edwards recommended that immediate steps be taken to expand and clarify the various categories of personnel. OP, however, was not amenable to such action, and Edwards took

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certain internal action in an attempt to alleviate the problem.

This action consisted essentially of transferring responsibility for Contract B and Staff Agent case processing from DD/IOS/ID to DD/PPS/PSD. The problem was not fully solved by this action, however, and subsequent developments concerning this matter are described in the Chapter IV of this volume.

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II. Security Records

A. The Era of Divided Records

One area of continuity -- beginning with COI and OSS, and continuing through SSU and CIG to CIA -- was the accumulation of a body of security records related to individuals and organizations which served the purposes of the personnel security processes. Part of these record holdings resulted from OSS's WWII national foreign counterintelligence responsibility -- an activity centered in the X-2 Branch -- and they consisted of files and indices related to persons and organizations whose activities abroad were suspected of being inimical to US national interests. With CIA given a similar responsibility following WWII, the process was continued, and today (1972) this activity is principally centered in the Agency's CI Staff which organizationally is a part of the DDP. Naturally, the resulting records represent a valuable source of information which can also be used in the security screening of CIA's own employees, agents, and

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other categories of personnel, and OS had made frequent and continual use of them. It is not these record holdings, however, that are the subject of this chapter.

The record holdings discussed in this chapter are those which are maintained by OS. These too consist of files and indices. The files provide a continuing record of the security actions related to each individual employed or otherwise used by the Agency. The files and indices combined also serve the purposes of personnel security analysis and research, as significant security information is carefully referenced and cross-referenced in order that the records might serve as a continuing source of intelligence related to the security reliability of individuals. OS's security record holdings today (1972) consist of over 700,000 individual files, and over 1,955,246 index references* -- the latter available for search with the aid of a computer.

* OS index cards would be many times this number, if the office was not constantly engaged in a refinement process. Close to 1,000 index cards are screened from the indices each month.

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OS's records also began with OSS -- with the Service Records Division of OSS's Security Office. Like those of OS's Security Records and Communications Division (SR&CD), they developed from the various security processing procedures related to personnel used by OSS.* The Service Records Division also performed functions related to the control of security investigative case processing, and additionally, it was the OSS Security Office mailroom. 84/ Thus the combined services of OSS's Security Records Division bear a marked similarity to those of OS's present-day SR&CD.

Following the abolition of OSS in September 1945, and pursuant to an order of the Secretary of War, the security records of the Service Records Division were transferred to the SSU, and SSU's Security Branch became the repository. The SSU continued to add to the records through its own personnel security operations.

* By January 1944 over 6,000 personnel security investigations had been conducted of OSS personnel.

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On 4 December 1946, with SSU records in the process of being integrated into those of CIG, the Assistant Director, Special Operations (ADSO) published an order stating that the Special Security Unit -- newly created under the Special Projects Division of Personnel and Administration to provide security support to OSO compartmented from those provided the balance of CIG -- was responsible for maintaining the security files of all OSO personnel (active and inactive) in addition to those related to personnel of predecessor organizations* 85/ In the meantime, the CIG Security Division, also answering to CIG's Executive for Personnel and Administration -- although through a separate chain of command -- had been in the process of compiling a separate set of security records related to all other CIG employees, excluding those employed or otherwise used by OSO.

Following the establishment of the Inspection and Security Office (I&SO) in July 1947, the Security Division was transferred to I&SO, and the Special Security Unit -- renamed the Special

* OSO (Office of Special Operations) had been established as a CIG organizational element in July 1946 to assume responsibility for the nations's clandestine espionage activities abroad, previously performed by SSU.

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Security Division (SSD) -- was transferred directly under the ADSO; the prior position of the Executive for Personnel and Administration was abolished. 86/ The security records of OSO personnel, and those of the balance of CIG's personnel, therefore, continued to be maintained under separate custodians.

I&SO's activities required frequent access to SSD's files, and the Executive for I&S -- concerned that the double record keeping system might result in serious errors -- conferred with ADSO to develop some more satisfactory arrangement. The best accommodation that he was able to obtain at that time, however, was reflected in a 19 July 1947 OSO directive, which continued to maintain responsibility for custody of OSO security files in SSD, but which provided that access could be provided I&SO, limited specifically to the person of the Executive for I&S. 87/ A further accommodation resulted from an OSO directive published on 16 July 1947. This change allowed for the retention by I&SO of the security files of OSO staff employees -- as contrasted to agents and other categories of clandestine personnel -- but ADSO still insisted that these files be made available for review by I&SO personnel on a very restrictive basis. 88/

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This situation of dual responsibility for security record keeping continued until the August 1948 amalgamation of SSD under the Agency's Executive for I&S. 89/ This amalgamation -- brought about because of the January 1948 termination of FBI personnel security investigative services to CIA -- resulted in an organizational consolidation of the two CIA security offices; however, due to the insistence of ADSO, the security records continued to be maintained separately -- although the custodian for both sets of records was now I&SO.

From 1949 through 1954, I&SO evolved into two principal organizational elements: The Security Division (SD) and the Special Security Division (SSD). Each maintained its own separate security files and indexes; with SD responsible for the security processing of Agency employees, guard and housekeeping personnel, overt consultants and contractors personnel, and domestic intelligence contacts, and SSD responsible for security processing of agents and other categories of personnel supporting CIA's clandestine intelligence operations. The premise that the association of the latter group with CIA was more sensitive than those

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processed by SD continued to provide the justification for the maintenance of two separate sets of security records within the Agency's Security Office.

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During the winter of 1953/54, [REDACTED] OS Executive Officer, held a series of meetings with representatives of interested OS divisions concerning the office's security records system. It is not clear whether [REDACTED] acted on his own initiative or at the request of the Director of Security; nevertheless, it is apparent that he despaired of the lack of progress made, and on 5 February 1954 submitted his personal survey, with recommendations, to the Director of Security. 90/ [REDACTED] report presents an excellent overview of OS security records processes as they existed at that time; therefore, it is quoted at length below. In reviewing the material which follows, it is important for the reader to understand that, in addition to maintaining the files and indexes, the SD and SSD Records Sections performed certain other services for the PSD Clearance Branch in the case of overt cases, and the SSD area division clearance desks in the case of covert cases. These services included limited initial security

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analyses of existing record information, preparation of biographical data forms with which to conduct checks of the files of other US departmental security organizations, controlling case processing, and as mail room for the receipt of requests and return of clearances from OP -- in the case of overt cases -- and from the clandestine operating components -- in the case of covert cases. Additionally,

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served the investigative requirements of both SD and SSD.

DESCRIPTION OF INDICES:

1. The present file records of the Security Office are set up and maintained under separate divisions, namely the Security Division for overt files, and the Special Security Division for covert files. This arrangement was decided upon at the time the Security Office came into possession of certain covert files, and it was done as assurance to the operational offices of CIA that covert files would be maintained in the most secure manner. All files are recorded and filed by case numbers; this necessitates the maintenance and use of alphabetical indices to identify a name with a file. Separate indices have been established for the overt and covert files, respectively.

2. Under this separate system of files and indices, two completely separate organizational and procedural setups have materialized.

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[REDACTED] concluded his report by recommending that the case control, research, and mail teletype functions remain as then constituted under SD and SSD, but that a Records Branch -- composed of an overall master index and separate covert and overt file sections -- be established under OS's Administration and Training Staff (A&TS) to service the requirements of both Divisions. Apparently, however, no one paid much attention to [REDACTED] recommendations, because no part of his recommendations were implemented at that time. The reason is probably best demonstrated by a problem which [REDACTED] himself stated in his report:

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At this point the issue is raised on the question of where in the organizational structure should be placed those functions of common concern to the Security Office. Each interested division (SD and SSD), most naturally, is reluctant to lose control of those functions which, though considered by the writer to be of common concern, are closely associated with the everyday work of the above mentioned divisions. It is held that to take the function of control and search of the indices away from the divisions principally interested, leaves them dependent on some other component of the Security Office to perform functions closely connected to investigation on one hand and appraisal and clearance on the other. It is held that thus, control will be lost of cases in process which, in the search of indices, should receive the highest priority, and the authority for timing and expediting cases will be divided and lost.

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Adoption of [REDACTED] recommendations would have disturbed some seemingly sacred jurisdictional prerogatives. Although the Agency's security forces had been consolidated as far back as September 1949, the factions had not as yet discovered the wherewithal to work fully together as a single integrated organizational entity. What did occur was the formation of an OS Committee on Records -- comprised of representatives of the interested staffs and divisions -- which continued to meet throughout most of 1955. 91/ This committee, however, addressed itself principally to the matter of ironing out anomalies resulting from the situation of dual records, and did not consider the subject of possible amalgamation.

The 5 December 1954 reorganization of the Office of Security -- which abolished the theretofore existing SD and SSD and created in their place two functional Deputy Directors of Security, namely Personnel and Physical Support, and Investigations and Operational Support* -- did nothing in the way of correcting OS's split security

* See OS-1, An Overview, III, A, for further information concerning this reorganization.

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records system, although some organizational titles were changed and the overall structure was upgraded.

B. OS Security Records Division

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During the winter of 1957-58, at the direction of the Director of Security, the Chief of OS's Inspection Staff, [REDACTED] conducted a comprehensive survey of OS records operations. 92/ [REDACTED] report, submitted on 19 February 1958, concluded that the dual system of security records was causing unjustifiable work which was impairing the effectiveness of OS operations. He, therefore, recommended the consolidation of the overt and covert file sections under a new Security Records Division (SRD), which would answer directly to the Director of Security but would service the requirements of both of the Security Directorates. [REDACTED] also made several secondary recommendations, including the initiation of a security file retirement system - [REDACTED] -- in order to alleviate the critical space problem.

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The Director of Security approved [REDACTED] recommendations; and following coordination with the Agency's Management Staff,

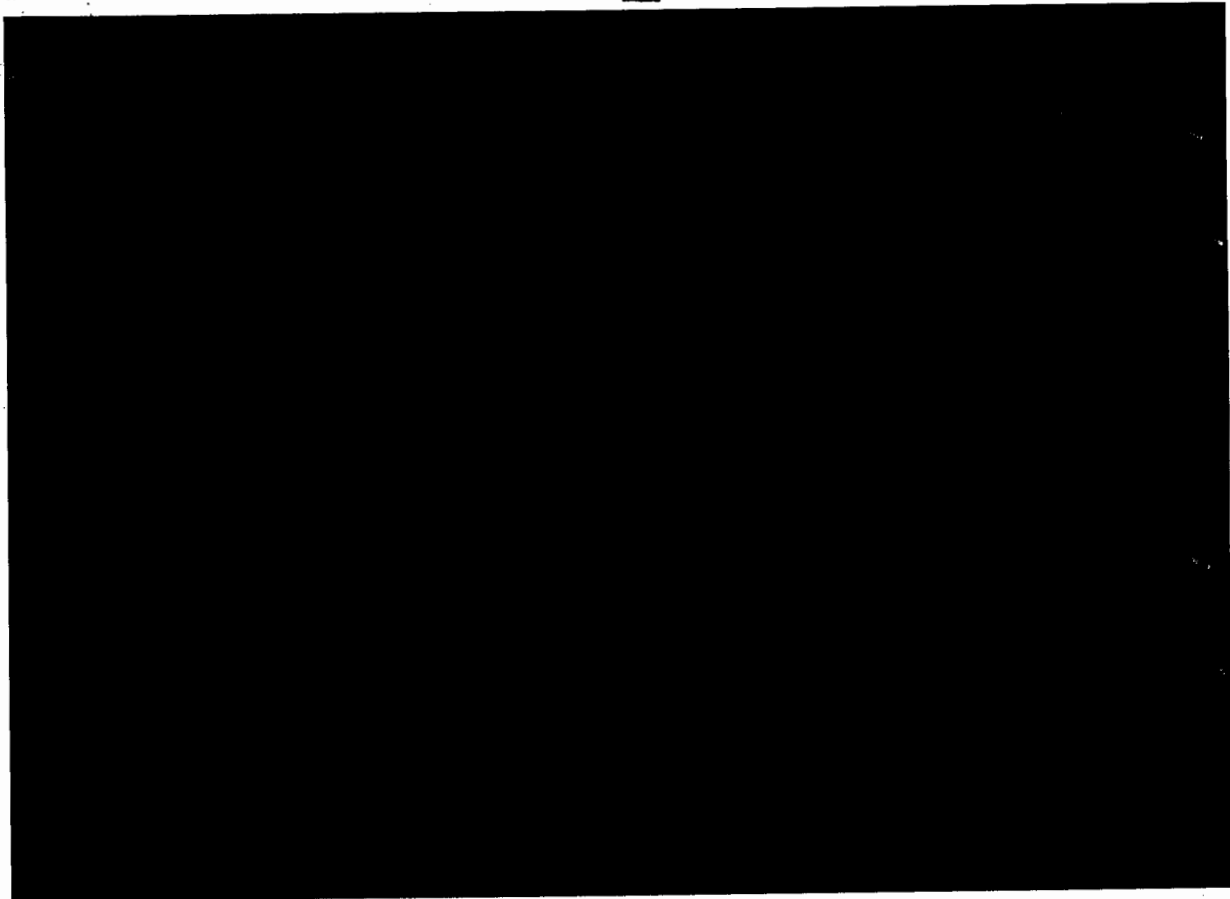
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the Security Records Division was established on 13 October 1958 to assume the consolidated OS record-keeping functions previously divided between the two Security Directorates. 93/ On 11 December 1958, the Director of Security delegated responsibility for the management and supervision of SRD to the Deputy Director of Security for Investigations and Operational Support (DD/IOS), where it remained until July 1965. 94/

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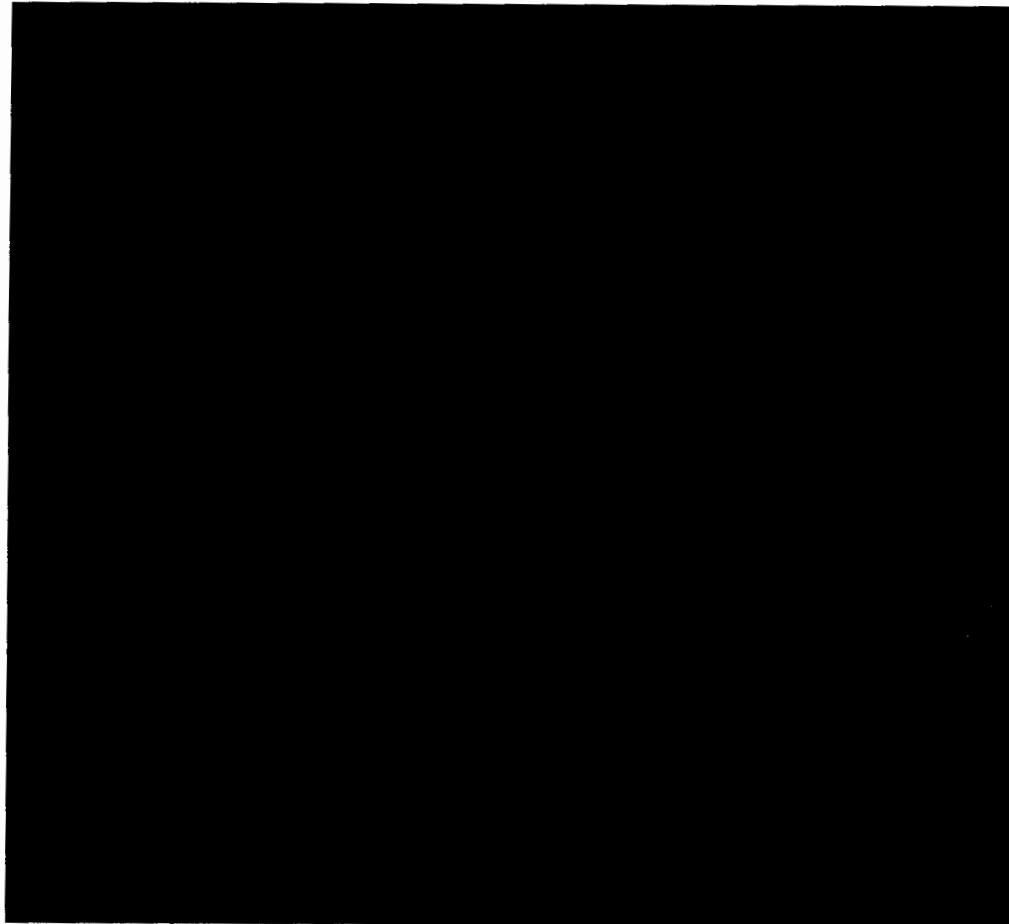
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The IG concluded that continued maintenance of separate procedures, files and indices for covert and overt cases was not in the best interest of overall efficiency, that these should be consolidated, and added that there was need for a fully integrated and mechanized index. The IG made the following recommendations:

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Recommendation No. 39:

- a. The Director of Security establish the policy of complete integration of the internal records of the Office of Security.
- b. The DD/S direct the Management Staff to conduct a survey of the records requirements of the Office of Security and submit its proposals for complete modernization and mechanization of the central records function.
- c. An educational program for personnel of the Security Records Division be undertaken and they be encouraged to participate in the informal liaison which exists between other records components of the Agency.

Recommendation No. 40:

The Director of Security place the Security Records Division under the immediate supervision of the Executive Officer of the Office of Security.

The Director of Security took exception to Recommendation No. 40, pointing out that OS's records operations were an important integral part of its overall security investigative and clearance processes, and that they were not an appropriate responsibility of the Executive Officer. 96/ The DDS agreed with his exception, and the Director of Security set to work implementing Recommendation No. 39.

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C. Automation and Other Innovations

As early as 1951-52, OS considered the matter of automation of its records. It was at that time that the Overt Files Section commenced putting its indexes on IBM cards. 98/ According to an OS official who was associated with the activity,* the objectives were: (1) to aid the personnel security investigative and clearance control processes, and to provide the basis for valid statistical reporting, (2) to provide a basis for exchange of information with OP, the Office of the Comptroller, and DDP/RID (in anticipation of the latter's eventual conversion to ADP), and (3) to provide the basis for future programs involving indexes search with the aid of machine, at such time as this procedure might prove economically worthwhile. In October 1955 this official investigated the latter proposition -- specifically, an IBM Corporation machine called RAMAC. 99/ He found, however, that a machine to effect the indices search would cost OS approximately \$144,000 per year -- a cost equivalent to 36 GS-4 employees --

25X1A * [REDACTED] at that time, Chief of PSD's Clearance Branch.

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and the work was then being adequately handled by [REDACTED] 25X1A
people. Nevertheless, the IBM cards continued to be punched,
although for purposes of indices search the operation continued
in a manual mode. By 1960-61, however, apparently records
operations were such that the 1955 estimate was no longer valid.

In November 1961, prompted primarily by the recommendations
of the 1960 IG survey, the Director of Security and Chief, CIA
Automatic Data Processing (ADP) Staff agreed to terms of
reference for a preliminary study of electronic data processing
for OS. 100/ The objectives of the study were to:

1. place the data processing problem in its perspective in OS;
2. determine the role of SRD in the overall data processing function;
3. evaluate OS relationships to other Agency systems;
4. establish a charter and framework for a detailed system analysis and design; and
5. recommend further action.

The ADP Staff submitted its preliminary study on 1 February
1962. 101/ The report outlined a three-phase program intended

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to develop automatic data processing applications which would serve worthwhile purposes in terms of OS records operations and work processes. The preliminary report itself represented Phase I; it compared OS records keeping with those of the Agency's RID, traced the major data flows, and identified a number of areas where implementation of automatic data processing might be worthwhile, but stopped short of specific recommendations as of that time. Phase II was to involve the "systems analysis and design." This would be conducted by a study team comprising one systems analyst from the ADP Staff, two representatives from OS, and the services of one outside ADP specialist-consultant; the objective of Phase II would be to accomplish a more comprehensive study leading to the recommendation of specific applications of ADP and an overall program for OS. Phase III would involve "programming and conversion"; in short, this phase would accomplish implementation of the Phase II plan within the frame of reference allowable by available assets and normal pressure of OS business, and would also involve a testing of the system prior to full-scale conversion.

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On 13 February 1962 the DDS agreed that the ADP Staff should proceed with Phase II of the OS study, concurrent with the initiation of a DDS-wide systems study and development program for computer operations. 102/ The final determination as to what kind of system would be implemented in OS, including the type of equipment required, would not be made until the DDS-wide study was either completed or had reached a point where it could be assured that any system implemented would be in consonance with the overall system. The Chief, ADP Staff was specifically enjoined from any action during Phase II of the OS study incompatible with the objectives and aims of the DDS overall program. The effect of the DDS's action was to constrain the OS program to insure a commonality with other Agency ADP programs not yet developed.

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The Phase II study team, comprised of [REDACTED] of the ADP Staff, [REDACTED] of OS, and one -- later two -- representatives of the IBM Corporation, submitted a report on the SRD Index System on 26 November 1962. 103/ This report was a partial study of SRD as it related principally to the index system

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and did not consider in any great detail other existing and possible aspects of SRD work, such as case control, information retrieval, file locator, statistical reporting, and the SSC special clearance registry. The primary purpose was to recommend any appropriate action in the existing time frame for converting the SRD indices into machine language.

The study team examined the several approaches to indices conversion -- e.g., EAM (card punch), magnetic tape or discs (both elements of a computer-based system), and microfilm.

The study team's report concluded:

Comparing the general advantages and disadvantages of potential methods of conversion between punched cards, punched paper tape, and microfilm approaches, the conversion using the punched cards offers the most advantages in terms of total costs, active use during conversion, usefulness as backup, ease of retrievability, updating, handling and relationship to future computer-based systems.

Although the study team did not envision the EAM approach as meeting all of OS's requirements, it did see it as the appropriate first step to a viable OS ADP program. Initial benefits would accrue in such areas as: more accuracy in records keeping,

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25X1A improved case control procedures, elimination of duplication and redundancy, better statistical reporting bases, assistance to management through identification and elimination of work bottlenecks, and serving as the initial basis of a Vital Records Program -- through creation of a duplicate set of cards to be maintained [REDACTED] Eventually -- using transceiver equipment -- the system could be linked up with other compatible systems of other Federal security and investigative services thereby providing the basis for an automated national agency check program. The cards would still need to be searched manually -- an estimated 26 hours would be required to search one name by IBM machine; however, initiation of an EAM system could look forward to an easy conversion to a computer-based magnetic tape system. Under the latter system, it was estimated that 1-2 hours of computer time could handle an entire OS day's searching work, although priority inquiries would still require manual search. Subsequent transition to a disc file or similar system would provide the additional benefit of quick random access to the indices. The study team recommended a

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two-phase program, with phase one working the conversion of a small sample of SRD indices concurrent with testing the efficiency of the system, and phase two proceeding with a full conversion of SRD index holdings.

The study team's report was submitted to the Director of Security by the Chief, ADP Staff on 25 January 1963. 104/ In his covering memorandum, Chief, ADP Staff added one additional step to the proposal: through the use of currently available Agency computer systems, continue system development efforts by preparing and testing pilot programs, recognizing that, although the system would probably undergo subsequent refinement, some initial benefits would nevertheless accrue from early conversion of some of the information from IBM card to computer type format.

The plan was concurred in by the Director of Security; on 12 April 1963 the DDS approved the plan. 105/ Because in the meantime the responsibility for all Agency computer planning had been raised to the Executive level, the plan was submitted to the Agency's Executive Director-Comptroller who approved it for the DDCI on 20 November 1963 with the proviso that the required personnel not

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be charged against ceiling contingent upon the availability of funds.

106/ In the meantime, an OS/SRD Conversion Manual had been prepared, and steps taken, pursuant to DDS direction, for establishment of a "common personality numbering system" for OS and DDP/RID records. 107/ The latter was accomplished through the simple expedient of reserving blocks of numbers for the exclusive use of each of the two components.

In July 1963, during meetings of OS representatives with Chief, DDP Systems Group, the latter stated that OS could not successfully or properly search an index on magnetic tape -- the name trace DDP system, still in its infancy, was planning to use paper tape. Indeed, as of that time no examples had been located of computer name trace systems using magnetic tape. 108/ DDP was concerned that the OS name trace system should be compatible with the RID system and Chief, DDP Systems Group informally recommended that the ADP Staff (by this time called OCS -- Office of Computer Services) efforts on the OS project be terminated and that OS rely on DDP to furnish technical guidance.

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OCS continued with the project, however, and the OS and DDP systems were developed on a compatible basis. A great deal of credit must go to OCS for the assistance it rendered to OS records conversion. The principal initial effort, funding, and assets were by and large theirs. The total OS commitment during the year 1963 can be said to have been the services of one individual -- [REDACTED] Within a relatively short period of time, however, OS became fully committed to the records automation objective, and today (1972) its program compares favorably with any throughout the Agency, and in all probability excels that of any other security office in the Federal service.

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In January 1964, the first contract employees were hired for editing, key-punching, and verifying; and by May 1966, conversion of all [REDACTED] 3x5 records to machine language had been completed. While this conversion project was underway,

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* Additionally an OS Policy Committee -- comprised of a representative of the OS Executive Staff and the Chiefs of PSD, ID, and SRD -- provided guidance to the effort.

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1965, the Compartmented Information Branch (CIB of SR&CD* -- which maintains an overall US Government and industrial listing of individuals approved for access to special compartmented sources of intelligence and projects as a service of common concern for the benefit of the entire US intelligence community. SCC/CIB records were the first of CIA records systems to become automated. One year following a March 1962 decision to automate these records, the conversion and programming had been completed -- a process undoubtedly greatly simplified by earlier NPIC and DDP/Development Projects Division efforts to adapt the listings to ADP punch card format, which served as the initial basis for the conversion.

The purpose of SPECLE is to produce periodic, overall and organizational listings of persons cleared for access to the many special projects and intelligence sources which are the subjects of formal, compartmented systems of security control. These lists

* Security Records and Communications Division, successors to SRD; see II, D, below.

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CAPER (Case Processing Evaluation Report) is basically a system devised for management and security clearance processing case control purposes. 112/ CAPER serves as a memory of all the actions attendant on OS's security clearance case processing, and, as such, provides an extremely valuable management tool. CAPER was essentially an outgrowth of the IBM card case control system for overt cases initiated by the Clearance Branch of the old Security Division in July 1952. In March of 1963, with certain modifications in terms of the system's output, this program was converted to the computer. Additional modifications were subsequently made by SIPS designed to make the program more compatible with Office of Personnel ADP programming requirements as well as other offices in the Support Directorate.*

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 was first operated on a test basis during 1968, and achieved full-time

* SIPS: Support Information Processing Systems Task Force, explained further below.

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operational status in May 1969. Briefly stated, by the use of compatible computer programming, this system enabled the computer-searched exchange of National Agency Check information between OS's SANCA index and the Department of Defense Central Index (DODCI), a listing of all individuals of the Defense Establishment security investigated and/or cleared in addition to the location of the individual's security file. 113/

In the meantime, the Support Directorate's and the Agency's overall transition to records automation had been progressing rapidly. In March 1965 a Support Information Requirements Group, headed by a DDS representative and otherwise composed of representatives from each of the DDS offices, was established to develop, to the extent practical, an integrated management information processing system to serve the needs of the Support Directorate as well as the Agency at large. 114/ This resulted in the establishment of a SIPS (Support Information Processing System) Task Force to which representatives from the several Support Directorate offices were assigned to develop the individual requirements of the offices into an integrated system best suited to serving the interests of all.

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Within OS, following the June 1967 appointment of [REDACTED] (earlier involved in OS records automation planning) to the position of Chief, Executive and Planning Division (E&PD) of the Executive Staff, the Executive Staff was made responsible for coordinating all aspects of OS ADP requirements and planning. 115/ On 23 October 1967 [REDACTED] was named as the OS Special Assistant for ADP, and he was assigned to E&PD. 116/ [REDACTED] was made responsible for all OS ADP planning, but additionally he served as the OS point of contact related to security safeguards applicable to the overall Agency ADP program. His staff was subsequently increased by the addition of two more professional and one clerical employees, and it was called the Information Processing Branch of E&PD.* Since by this time E&PD also included the OS Records Management Officer, a good basis existed for a viable OS Records program using automated techniques.

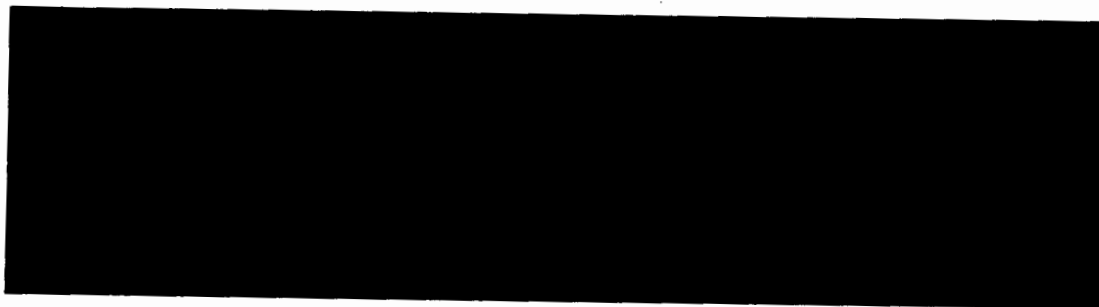
* As OS's automated records program gradually became fully operational, [REDACTED] activities became more and more concerned with security safeguards applicable to overall Agency ADP operations; consequently, in July 1970 [REDACTED] staff was transferred to OS's Physical Security Division. 117/

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D. Security Records and Communications Division (SR&CD)

As one result of the August 1965 OS reorganization,* SRD was renamed SR&CD, and placed under the supervision of the newly created Deputy Director of Security for Personnel Security (DD/PS). It was also at that time that the Special Clearance Center of the Special Security Center (SSC) -- which maintained a master listing of all individuals approved for special compartmented intelligence source information as a service of common concern for the entire U. S. intelligence community -- was transferred out from under SSC and renamed the Compartmented Information Branch (CIB) of SR&CD. The T/O of SR&CD now consisted

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positions divided between the Office of the Chief (3), Re-

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cords Branch [REDACTED] The Records Branch was divided

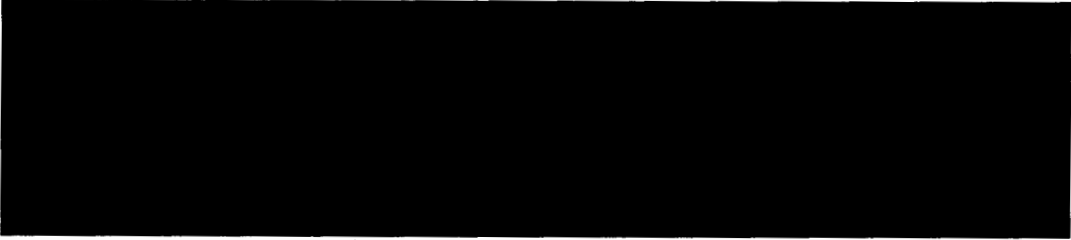
* See OS-1, An Overview, IV, B, for further details concerning this reorganization.

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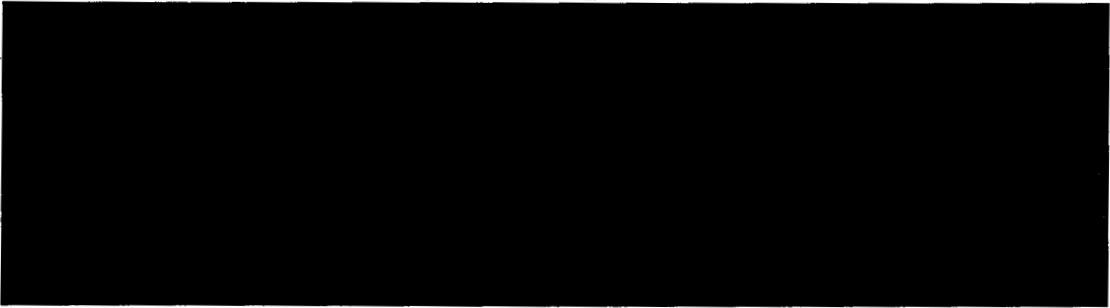


Following is a description of SR&CD mission and organization prepared in 1966.*

I. Purpose and Mission:

The Security Records & Communications Division provides current and long-range support to the Office of Security through the effective development, management, utilization and protection of security records including records research as well as records management, maintains ADP programs for Office of Security components; maintains complete and current records and indices of security information on personnel and organizations of interest to the Agency; maintains liaison with other government agencies for the release of personnel security information; and initiates records processing on all overt and covert clearance and operational support requests. Maintains a master index of persons throughout both the intelligence community and private industry who have been approved for access

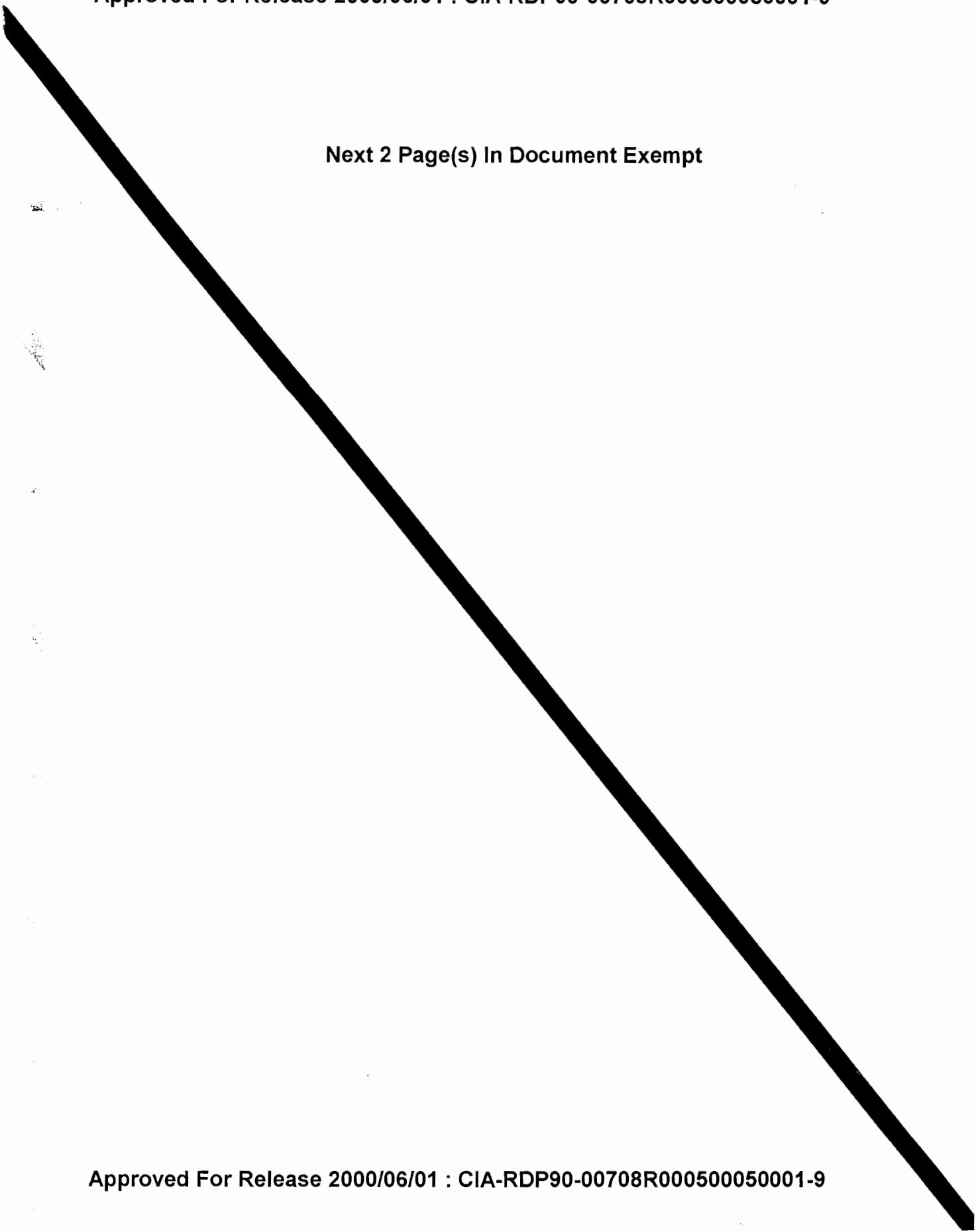
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SECURITY PROGRAM OF THE CENTRAL INTELLIGENCE AGENCY
1941-68

VOLUME II PERSONNEL SECURITY
PART TWO CHAPTERS III, IV, AND APPENDIXES

Secret

OS-2

May 1973

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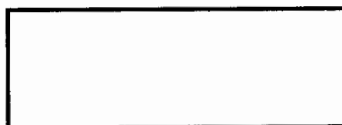
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WARNING NOTICE
SENSITIVE INTELLIGENCE SOURCES
AND METHODS INVOLVED

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III. The Ongoing Personnel Security ProgramA. General

One criticism frequently made of the Federal personnel security program is that the major concentration is on the security screening of personnel, and not enough is done to insure the continued security reliability of on-board employees. Adding to this is the prevailing psychological notion that an individual's past behavior represents a relatively reliable indicator of what his future behavior is likely to be. The author is of the opinion that, although the criticism may be partly justified in regard to the Federal personnel security program overall, the criticism is not valid in the case of CIA.

The available evidence indicates that the Agency very early addressed itself to the proposition of insuring that its employees continued to perform to a standard of reliability. This evidence is in the form of a great variety of policies, procedures, and actions initiated by CIA, which to the casual observer may not seem to indicate that they were all motivated by a single purpose --

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the author, in fact, confesses to having personally coined the "ongoing personnel security program" phraseology for the purposes of this history.

To the professional observer, however, the point is unmistakably clear, that Agency management developed an acute sensitivity to the proposition that, due to the natural limitations on its screening processes, subversives might conceivably obtain Agency employment, and that others once on board would be the subjects of penetration attempts on the part of hostile foreign intelligence services. The compendium of policies, procedures, and actions initiated by CIA managers to counter this possibility, when viewed overall, appears to have been intended to establish that state of communication necessary to the maintenance of an attitude of mutual trust, rather than that which is so frequently and aptly described as a "big brother is watching" situation. There have been extremely few Agency employees subjected to surveillance by OS -- of those that were, a few had been engaged in activities which completely justified the action, but in the case of a far larger number the action was taken in the

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personal interests of the employee as in cases of individuals undergoing extreme emotional distress or suffering from severe mental disorders. The controls which various Agency regulations prescribe covering the personal non-official lives of CIA employees must certainly be considered extraordinary; however, most individuals who have undergone processing related to such matters would agree that they are handled in a non-policeman-like manner. CIA's mission was in every respect a "grown up" mission to be engaged in only by responsible, mature employees who were fully entitled to be treated as such. Indeed, through such a program, OS was able to earn the reputation of being the employee's friend, and since it was so generous with its assistance and advice, few seemed to object to the stern, "dutch uncle" talk which followed some occasional indiscretion on the part of the employee.

But, as previously explained, although the Agency's ongoing personnel security program had a single objective, it was not a single effort -- there were many pieces to it. Consequently, the

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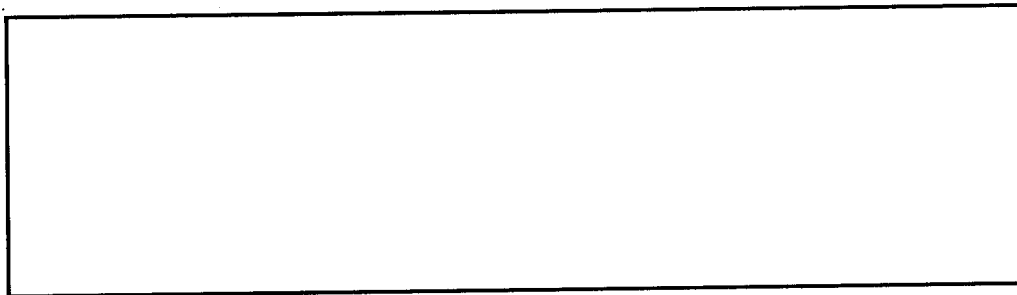
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author has chosen to describe the historical development of several of these pieces separately.

B. Security Indoctrination and Education.

Until 1955 the security indoctrination of new Agency employees was the responsibility of the Physical Security Branch -- a function which complemented other activities of the Branch related to EOD processing -- e. g., fingerprinting and photographing, issuance of badges, supervised reading of CIA security regulations, and witnessed execution of an Agency secrecy oath by all new employees. Little is currently available concerning the possible other content of these early security indoctrinations, although it is known that they included a State Department-prepared movie related to security, which even as of that time was apparently considered somewhat outdated. Some statistics are available covering the 1948-54 inclusive period. These are provided below 120/:



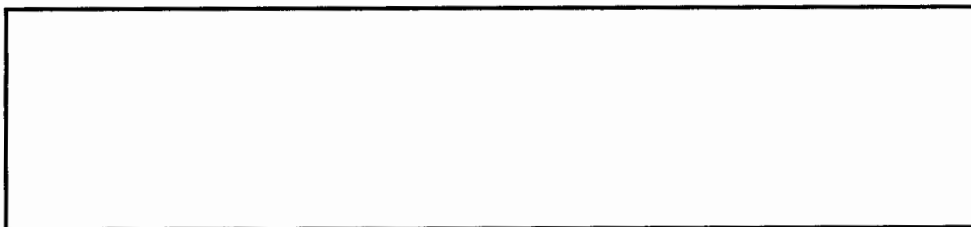
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An IG memorandum of 2 April 1952 criticized the EOD security indoctrinations as inadequate and unsatisfactory. Edwards, in a 21 April 1952 memorandum to the DDA, 121/ advised that his own personal investigation into the matter had substantiated the IG's findings, and he promised to undertake the following short-range actions and long-range plans to correct the deficiency:

A long range plan has been undertaken by this office to improve the security briefings by a complete revision and rewriting of the subject matter used in the lectures, training and recruiting new lecturers, requesting the Office of Training for assistance in developing and presenting the indoctrination, using visual aids and demonstrations to dramatize and clarify the presentation, and the production of a CIA movie on security to take the place of the outdated State Department movie. Inasmuch as this long range program cannot be put into effect overnight, and realizing the shortcomings of the security briefings as commented on by the Inspector General, I have taken immediate steps to improve the briefings as of this date through the following measures:

A. The Deputy Security Officer/CIA will deliver a short introductory talk on the

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need for security before the detailed briefing on security is given.

B. New personnel believed to be more able in making a talk before an audience will replace the individuals who have up to now currently been giving the briefings.

C. The subject matter in the briefings has been revised on an interim basis pending the completion of the thorough revision and rewriting in order to immediately eliminate those portions of the briefing which are patently of no value to the presentation.

D. The institution of visual aids and demonstrations as rapidly as they can be prepared for presentation.

Perhaps also as a result of the IG's criticism, I&SO commenced in April 1952 the practice of publishing Agency-wide security notices to aid in the continuing security education of CIA employees. 122/ These notices were in effect bulletins, which contained a mixture of reiterations of existing security policy and procedure, suggestions related to special security hazards, a generous amount of comment of the security "pep talk" variety, and even an occasional citation for some Agency organizational element demonstrating an unusually outstanding security record. The issuance of this particular type

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of security notice does not appear to have been continued beyond 1953. The following quotations, selected at random, provide excellent insight into the nature of these bulletins:

HOW DOES STALIN GET HIS FACTS?

Communist Party members, sympathizers, and dupes form the bulk of STALIN'S information network in this country. There are two means by which they might penetrate CIA: A professional espionage agent might secure employment here, or the agent might secure information from thoughtless or careless CIA employees. A careless or thoughtless employee is just as dangerous to us as an enemy spy. Because CIA is a sensitive agency dealing in highly classified information and materials, each individual employee becomes a logical target for espionage. Espionage agents are experts at exploiting all human fragilities. They probe and probe the chain of security until a weak link is discovered. Faith, enthusiasm, pride, conceit, and ignorance all become weapons in their hands unless you temper them with judgment and discretion. It makes absolutely no difference whether they get their information from espionage by spies and traitors or from CARELESSNESS, NEGLIGENCE, or LOOSE TALK by loyal Americans. The end result is the same. You can avoid being an unwitting ally of enemy agents only by maintaining a security consciousness at all times.

REMEMBER

SECURITY CONSCIOUSNESS MEANS A SECURITY CONSCIENCE

CITATION

Congratulations are extended to all personnel of the Office of Scientific Intelligence, for establishing a

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perfect record of no security violations for the months of October and November 1952. The Office of Collection and Dissemination also recorded no security violations for November 1952. These records show that it can be done, even by the larger offices.

A SUGGESTION TO STAFF DUTY OFFICERS

The functions and responsibilities of Staff Duty Officers in checking assigned areas at closing time to ensure that their areas are secure are among the most important duties in the Agency. These duties should always be performed with the utmost care. DON'T hurry through your checks, DON'T be careless, and DON'T take security for granted. An unlocked safe is a serious matter.

DIARIES AND PERSONAL ADDRESS BOOKS

Diaries and personal address books maintained by Agency personnel should not under any circumstance contain information concerning the Agency, its activities, or employees.

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SAFEGUARDING TYPEWRITER RIBBON AND CARBON PAPER

Used typewriter ribbon and carbon paper contain the imprints of the typewritten material and are often legible, particularly where they have been used only a short time. All carbons used in the typing of classified information should be safeguarded the same as the material itself, and they should be placed with the classified waste when ready for disposal. Ribbons used in the typing of classified

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information should also be properly safeguarded when they appear legible; and when replaced, they should be disposed of as classified waste.

CARRYING CLASSIFIED DOCUMENTS HOME FOR NIGHT WORK

There are indications that some officials are taking classified documents home at night. This is strictly in violation of regulations. It creates a serious security risk, and cannot be permitted. Continuance of this practice may necessarily result in the establishment of an inspection system which would inconvenience all employees.

CARELESS TELEPHONE HABITS

There is evidence, too, of increasing laxity in discussion of classified matter over the telephone. This includes the naming of persons, places and projects. In addition, the Signal Center has had repeated improper queries for information which cannot be divulged on the phone. Telephonic requests to the Signal Center for cables should be limited to the "IN" or "OUT" number of the desired cable. Names of places, projects, people or subjects should never be mentioned on the phone in connection with a cable. All persons must carefully observe the rules for telephone conversations. Telephone lines and inter-office communications systems are not protected; conversations may be overheard by unauthorized persons.

CLASSIFIED WASTE RECEPTACLES

Over a period of time it has been observed that there is a greater tendency to overlook classified waste receptacles which are attached to walls, desks, or tables, than those which are kept on the desk surface. Therefore, in order

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to avoid possible security violations, it is suggested that such receptacles be kept openly on the surface of desks and not attached to walls, desks, or tables.

UNATTENDED DESKS

A few officials have been leaving their offices unattended or unwatched with classified information exposed. This carelessness cannot be tolerated, even for "a few minutes." The practice is particularly flagrant among senior officials with private offices. More caution should be exercised in the connecting office arrangement.

SUGGESTED PRECAUTIONS

1. Officials carry highly classified information of a sensitive nature should never ride alone in a vehicle. They should always be accompanied by at least one other security cleared person. Drivers or other occupants of a vehicle should be prepared to secure classified matter in case of an accident. (Couriers are governed by special regulations issued to them.)
2. Hotel rooms, particularly in Washington, are not secure unless definite security arrangements are made. Great caution should be exercised in their use for the official discussion of classified subjects.
3. Official conferences should not be held in private residences except under unusual circumstances and only after proper security arrangements have been made.
4. Report a lost or compromised document IMMEDIATELY to the Security Office. Prompt action

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will minimize the extent of compromise and lighten the punitive action.

5. Lock up your calendar pad. Experience proves that it often contains classified information.

NEW IDENTIFICATION BADGE

A new and improved building badge incorporating a challenge system will be issued in the near future.

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QUESTIONS CONCERNING ALIEN AFFAIRS' MATTERS
AND [REDACTED]

Security hazards and embarrassment to the Agency may be avoided in matters concerning aliens by telephoning the Alien Affairs Office, I&SO, [REDACTED] for advice and guidance before taking initial action.

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These were not the only examples of early CIA security instructions for the benefit of the on-board employee. As early as January 1951, DCI Walter B. Smith had ordered an overall Agency orientation and indoctrination for current and new employees tailored to the needs of personnel whose assignments required a general knowledge of Agency organization and operations. 123/ These courses, conducted by OTR, included lecturers from a variety of Agency organizational components, and among the listed speakers was [REDACTED] the Agency's Deputy

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Security Officer. Later runnings of this course (late 1952 and early 1953) were held in the Department of Agriculture auditorium, and the overall course was of four days' duration. 124/ Thus began the practice of OS providing guest lecturers to a great variety of training courses provided by OTR, a practice which is still in effect as of today (1972).

A 1953 classification study resulted in the establishment of a Training Branch as part of OS's Administration and Training Staff (A&TS). Until 1955 the activities of this Branch were solely concerned with the training of OS personnel. In March 1955, however, the Branch assumed the additional responsibility for the overall Agency security indoctrination program, including the EOD indoctrination previously administered by the Physical Security Division. 125/*

The OS reorganization which took place in December 1954 occasioned still another change in responsibility for a different

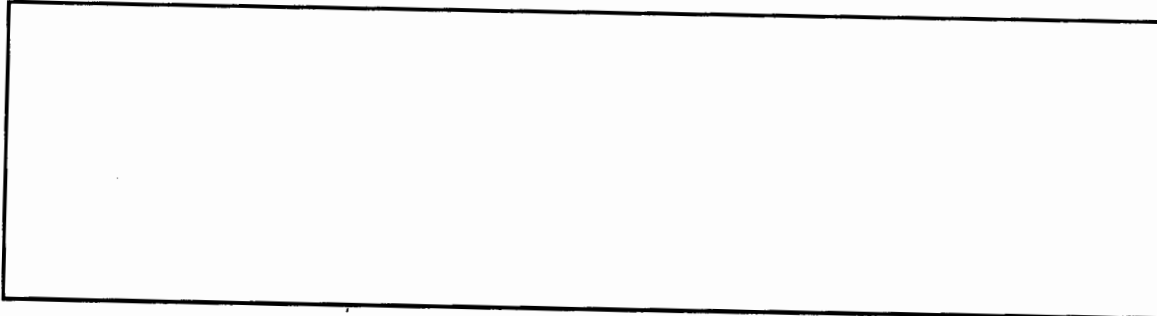
* The Physical Security Branch was raised to Division status in December 1954.

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aspect of the Agency's security indoctrination and education program. In August of 1952 a representative of the Personnel Security Branch of I&SO's Security Division had been physically located with the Agency's Central Processing Branch in order to improve the security briefing of Agency employees traveling abroad. 126/ By March of 1953 the procedure also included the briefing, where necessary, of dependents of employees assigned to work at posts overseas. Security briefings conducted



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resigning or going on extended leave without pay -- an activity which had apparently commenced late in 1950. 127/

When the Employee Activity Branch was created as part of the Personnel Security Division in December 1954, these briefings and interviews were included among other functions to be performed by newly established EAB. Such briefings are still a part of EAB's total responsibilities today (1972), although they are no longer

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conducted within the offices of the Central Processing Branch -- a sign-off processing card provided to the employee now lists EAB as one of the necessary steps to be made. Table 8 provides statistics for the years 1951-68, inclusive, covering this aspect of EAB's work.

Another aspect of personnel security indoctrination and education was performed outside OS -- by career and area security officers assigned to Agency operating components and [] over- seas field installations. Most component security officers provided some form of initial security instruction to new office arrivals to acquaint them with the security aspects of work performed in the unit; and security officers working at [] stations, and bases abroad saw to it that all incoming personnel were quickly briefed on local security hazards and peculiarities concerning the local security situation.

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The security indoctrination of individuals into intelligence matters which are the subjects of special compartmented systems of security control was another responsibility which came to OS. At first the OCI, NPIC, and Development Projects Staff security

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officers conducted these briefings (all related to different subjects); today (1972) they are conducted by the Compartmented Information Branch (CIB) of OS's Security Records and Communications Division.* All such briefings, of course, must include a descriptive identification of the scope of information subject to the special security controls, as well as details related to manner in which such information is to be provided the necessary degree of protection.

By September 1956 the A&TS Training Branch had instituted a three-hour security indoctrination lecture as a regular part of the EOD processing of all new employees. Work was begun on a security indoctrination motion picture film, "Personal Security," in 1957. 128/ In September 1961 this film, a four-part, two-hour presentation especially tailored to the requirements of security indoctrination of all new Agency employees, was made a part of the EOD indoctrination. 129/ In January 1958 a program -- later

* SR&CD -- see II, D, above.

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referred to as Security Reindoctrination Program No. 1 -- was commenced involving the reindoctrination of all on-board employees, designed to reacquaint employees with the importance of good security to CIA's mission. 130/ Over attended this meeting during the following 20 months. In November 1963, following approval by the Executive Director-Comptroller, Security Reindoctrination Program No. 2 was begun, thereby laying the foundation for subsequent reindoctrinations every four years on a regular basis.* The IG in a report of a survey of the Agency's personnel security program in October 1963 commented favorably on the content and format of the security reindoctrination. His report stated:

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Some years ago the Office of Security delivered to all Headquarters employees a security reindoctrination lecture. Although the lecture was, in effect, a rebriefing on security, it was so cleverly devised and so well presented that it was not looked upon by the average employee as merely another "security lecture." A new security reindoctrination program is now being put together and the presentations will begin in mid-November. 131/

* Another reindoctrination program was undertaken in 1968.

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The year 1961 saw the A&TS Training Branch begin a program of one-hour security lectures tailored to the needs of Agency dependents traveling overseas, and another program of lectures designed specifically for the summer employees. These, however, were not all; following is a list of guest lecturer presentations provided on a regular basis by OS today (1972) in support of training requirements:*

Administrative Procedures

CIA Review

Orientation to Overseas

Support Services Review

Field Operations Familiarization (2 lectures: Personnel security and counter audio penetration)

Basic Investigative Techniques

DDS&T Career Development

Recognizing the special vulnerability involved in the Agency's communications processes, the OS provides the following additional lectures to OC employees:

* Course titles are as identified by OTR.

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Office of Communications, special EOD briefing --
twice yearly;

Orientation to Overseas for Wives of Commo
Students -- twice yearly.

Additionally, the following is a list of guest lecturer presentations provided by OS today (1972) as a courtesy to organizational elements external to CIA:

Armed Forces Courier Services (ARFCOS) -- every
two weeks.

Defense Intelligence School Attache Class -- every
three months.

ARFCOS Station Commander Briefing -- once
yearly.

In closing this section on security indoctrination and education, the author feels that the following additional quotation from the IG's 1963 survey report might serve to put this subject in proper security perspective as it relates to the Agency's overall security program:

One of those whom we interviewed made the point that CIA employees have good security reflexes. He was thinking in terms of the fact that many of our people are working directly against the opposition and that all of us are fully aware that we are prime targets of the opposition. We believe that these favorable security reflexes stem in at least equal measure from the fact that dozens of times each day each employee is

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reminded of our security measures -- the badge that is habitually worn, the guards, the safes, the room checks, the secure telephones, the burn trash bag, and so on. A previous statement is worth repeating: the employee is never allowed to forget that CIA takes security seriously.

C. Control of Personal Activities and the "Open Door" Policy

By January of 1947 -- with the concept well established that the Central Intelligence Group was to become by statute an independent Agency with its own autonomy and personnel body instead of a loose confederation of existing US intelligence organizations -- it was recognized that, because of the new Agency's unique and sensitive mission, certain controls needed to be imposed upon the personal, outside activities of its employees in order to insure preservation of security in Agency operations. The first published Security Regulations Central Intelligence Group -- begun by the OCD Security Branch and finished by I&SO prior to its 15 August 1947 approval by the DCI -- included the following restrictions:

1. Required approval for public speaking or writing for publication.
2. Required notice of changes in personal status, e.g.: "address, marriage, etc."

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3. Required badges turned in during leave of absences.

4. Prohibited discussing CIG activities outside the office.

5. Prohibited use of other than designated CIG employees for credit reference purposes.

6. Required reporting of involvement in traffic accidents, court proceedings, or other external affairs in which CIG might become directly or indirectly involved, even though the matter be almost entirely personal.

7. Prohibited advertising CIG group social activities as CIG functions. 132/

Additional restrictions were subsequently imposed through the issuance of single-subject instructions. A 16 February 1949 Administrative Instruction required the prior approval by I&SO of all private foreign travel. 133/ An AI of 4 October 1949 required I&SO approval for taking or instructing unofficial study courses where the courses's content might have some bearing on intelligence activities -- other courses could be approved by the Assistant Directors or Staff Chiefs concerned. 134/ A notice of 25 July 1950 required that all outside employment be approved by both I&SO and appropriate supervisory elements. 135/

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Until December 1954 the principal office involved in actions related to restrictions on the personal activities of Agency employees was I&SO's Security Control Staff (SCS). Since SCS was responsible for the preparation of security policy, it was the most logical place to seek interpretation of the policy to individual situations involving the employees. SCS handled the approval in those instances where the regulations required approval, and it provided advice and counsel to employees where action required by the regulations was one of reporting the matter. A review of SCS progress reports for the year 1948 reveals that the office processed an average of 15 requests a month related to personnel engaged in such activities as giving outside-Agency lectures, submitting academic papers or material for publication, teaching courses, and engaging in other extra-official group activities. 138/ In each instance the matter was carefully assessed and appropriate guidance rendered to the individual prior to approval. The volume of this work performed by SCS grew rapidly and in 1954 the staff processed 2,525 requests for security approval on submission of academic papers, publishing of articles and books, delivering speeches in public, and other personal outside-Agency activities of employees. 139/

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The Employee Activity Branch (EAB) of the Personnel Security Division was established as a result of the OS reorganization of 4 December 1954.* Included among a statement of EAB's functions was:

It EAB monitors outside activities of CIA employees which might reasonably be construed to affect the security of the Agency directly or indirectly. These activities include but are not limited to private unofficial foreign travel, speeches and publications, part-time employment, activities where publicity may ensue, questionnaires and applications requiring disclosure of employment, association or contact with representatives of foreign governments, court proceedings, preparation of affidavits and attendance at educational institutions. The monitoring consists of a review of the individual's security file, research on the proposed activity, coordination with other interested offices, and appropriate instruction and guidance to the employee to assure protection of classified CIA information, methods and sources and to avoid publicity and embarrassment for either the Agency or the employee. 140/

In the meantime, CIA regulations had commenced a process of conversion to loose-leaf format -- probably as a means to more conveniently effect revisions and updating. On 3 May 1955 Agency

* See OS-1 in this series, III, A, for further details related to this reorganization.

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[redacted] "Limitations on Outside Activities," was integrated into this series, and it complied into one regulation most of the previously existent restrictions and controls on outside activities of employees. 141/ This regulation was revised in December 1956, and again in 1960. [redacted]

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25X1 "Limitations on Outside Activities," published 1 April 1961 and last revised on 5 February 1970, is the presently applicable Agency policy concerning this subject. The principal responsibility for administration of this policy -- attached as an appendix to the volume* -- rests with EAB. Table 9 provides a statistical compilation of EAB activities in this area for years 1955 through 1968 inclusive.

A supplementary benefit resulting from EAB's activities in this area -- other than the control over areas of employee activity wherein demonstrated potential for security compromise exists -- was that it established an awareness in Agency employees that CIA was interested in those personal activities and problems of

* See Appendix E.

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possible security significance, and identified an office wherein such matters could be discussed in an atmosphere of confidentiality. Thus employees came to EAB to discuss matters which were not specifically covered in Agency security regulations, and they always received guidance and, where appropriate, other assistance. The net result, therefore, was the establishment of an extremely healthy state of communication between the employee and OS -- absolutely essential, if the system was to be primarily dependent upon a mutual trust arrangement. It became known and accepted that OS maintained an open door for the problems of the employee.

OS's open door policy is frequently today referred to by OS lecturers. It has become an essential element of the OS "party line"; Madison Avenue advertisers could not help but see the significance of the campaign in terms of the really "gut" problems

(cont.) wondered how many other CIA employees had written articles in their fields of interest for publication without attribution. 142/

(c) Outside employment, joining clubs and associations, and other.

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of personnel security. Just how or where use of the term originated, however, appears to have escaped the author.

[] in his July 1952 Survey of the Inspection and Security Office CIA, used the phrase in the following context:

This office maintains an "open door" to all employees of the Agency for the purpose of assisting them on any problems which fall within the scope of I&S's responsibilities. This practice is a particularly commendable one, for it is paying untold dividends to the general mission and overall security of the Agency. While lingering doubts are apparently still harbored in some quarters of the Agency with respect to inspection-security matters in general, personnel in non I&S areas of the Agency, with increasing frequency, are bringing their security to this Office for advice and assistance. 143/

Although [] used the phrase to describe the development of OS's operational support program -- discussed in another volume in this series* -- the author is convinced that the two matters are related. While, OS early began advertising an open door to other Agency components that might make use of its domestic covert field office facilities, it also began very early to open its doors to the personal problems of the individual employee. Some of the

* See OS-4, Operational Support.

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assistance provided to Agency employees was effected through

[REDACTED] Several examples are also provided in the other volume,* and they include such services as providing assistance to dependents of deceased and incarcerated employees, facilitating the return of employees and dependents from overseas due to physical and mental illnesses, and even one case involving OS procurement of a mail cutout address to assist a young female employee undergoing pregnancy out of wedlock, who did not wish her parents to learn of her condition.

Employees didn't always come to OS with their problems; sometimes they were reported by supervisory elements, or by one of the Office's Federal or local police liaison contacts or confidential informants -- sometimes they were read about in the newspapers. When spouses and dependent children are considered, the CIA personnel body is equivalent to a community of

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[REDACTED] An examination of the activities of a police department servicing the average US

* OS - 4.

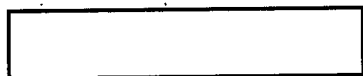
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community of that size would astound most individuals because of the volume of work and variety of situations in which the citizenry become involved -- many of a very serious nature. Probably because of the Agency's excellent personnel selection program, the CIA employee becomes less frequently involved in confrontations with police than does the average US citizen. Agency employees and their dependents, however, have proven that they are not immune to the prospect involving the commission of serious crimes; and furthermore, the Agency concerns itself with personal activities of a less serious nature -- situations in which, if the Agency employee were an average citizen, the local police department would decline involvement. Thus, in addition to providing personnel security screening services, the work of OS's Personnel Security Division has the busy, sometimes frantic air about it of the average police department servicing a community with a population in excess

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This type of work has historically been performed either by the Chief, PSD or by personnel responding directly to the Chief. During FY-1965 the work of the Chief, Deputy Chief, and 3 Special

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Assistants working in PSD included 7,680 man-hours (1,440 hours overtime) spent in interviews and interrogations of employees, liaison with other US Government agencies and local police departments related to employee problem cases, and giving security advice, guidance, and warnings to CIA employees. 144/ Active problem cases were averaging about 20 to 25 a week as of that time. This work has always been of direct personal interest to the Director of Security -- the incumbent D/S, Howard J. Osborn, has attached particular significance to this aspect of OS activity. The DDS is advised at least weekly on an "eyes only" basis of the status of outstanding problem cases, and a significant number are brought to the personal attention of the DCI. The program has historically received strong support and backing from CIA management.

Working on the assumption that the most secure employee is the employee least beset by personal problems, OS activities in this area have not been limited to situations where security was the principal matter at issue. The IG, in his 1963 survey of the Agency's personnel security program took particular note of this fact and stated:

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Although the Office of Security is primarily concerned with security per se, its normal day to day assistance to Agency employees far exceeds its written charter. The range is virtually limitless and covers such things as assistance in case of accident, medical emergency, troubles with police, housing, divorce, crank telephone calls, etc.

It might be argued that such personnel assistance does not involve matters having security implications and that other elements of the Agency should be assigned such duties. It is evident, however, that Security's close involvement with the welfare of Agency employees yields a direct security return. The Agency has a reputation for "protecting its own" and it is clear that much of this reputation derives from the positive acts of the Office of Security. By extension the Agency's reputation becomes, in large measure, the reputation of the Office of Security. The Office is respected by most employees and it is through its good reputation that it is able to accomplish its tasks as effectively as it does. 145/

Concerning the OS open door policy, the IG stated:

The inviolability of security records is a definite strength. The individual who comes into possession of information with security implications can report it to the Office of Security knowing it will be closely held.

In order to provide the reader with a better appreciation of the scope and nature of this type of OS activity, the author has selected a number of cases at random, and has summarized them in an appendix to this volume.*

* See Appendix F.

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D. Continuing File Review

As stated in the introduction to this history, OS conducts a reassessment of the average employee's security file on numerous occasions throughout his career incidental to some internal transfer, assignment to more sensitive duties, or stemming from some personal activity of the employee. Thus it may be said that there is almost continuing review of the security status of Agency personnel, independent of any program involving the periodic, actual security reinvestigation of employees. Aspects of this reassessment process date back as far as 1947, and it appears to have been motivated by two influences which are perhaps peculiar to the workings of an intelligence organization such as the CIA. One influence was the Agency's emphasis on security compartmentation of sensitive activities; specially compartmented sources of intelligence and new special projects required that the employee's security status be reassessed in terms of the new risk factor involved in providing him access to such information or activity. The other influence was a recognition that varying situation environments associated with different positions in CIA result in varying degrees of exposure

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of the individual to security risk -- the employee serving overseas, for example, is by many multiples more apt to be subjected to attempts to enlist his services on behalf of hostile foreign intelligence services than is the employee serving within the continental limits of the United States. Sometimes the influences were interlocking, as in the case of the communications operator provided access to sensitive code information, and with the knowledge on the part of the Agency that the Soviet intelligence services make a particular point of singling out code clerks for attempted penetrations.

The author is of the opinion that no worthwhile purpose would be served by attempting to trace the origin of each and every action which causes a reassessment of the employee's file, but that it is important for the reader to understand that the process constitutes an important part of the Agency's ongoing personnel security program and to have a general appreciation of how the process works. The author could find no better means of demonstrating these than was contained in a 1963 IG survey report

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of the Agency's personnel security program, a portion of which
is quoted below:



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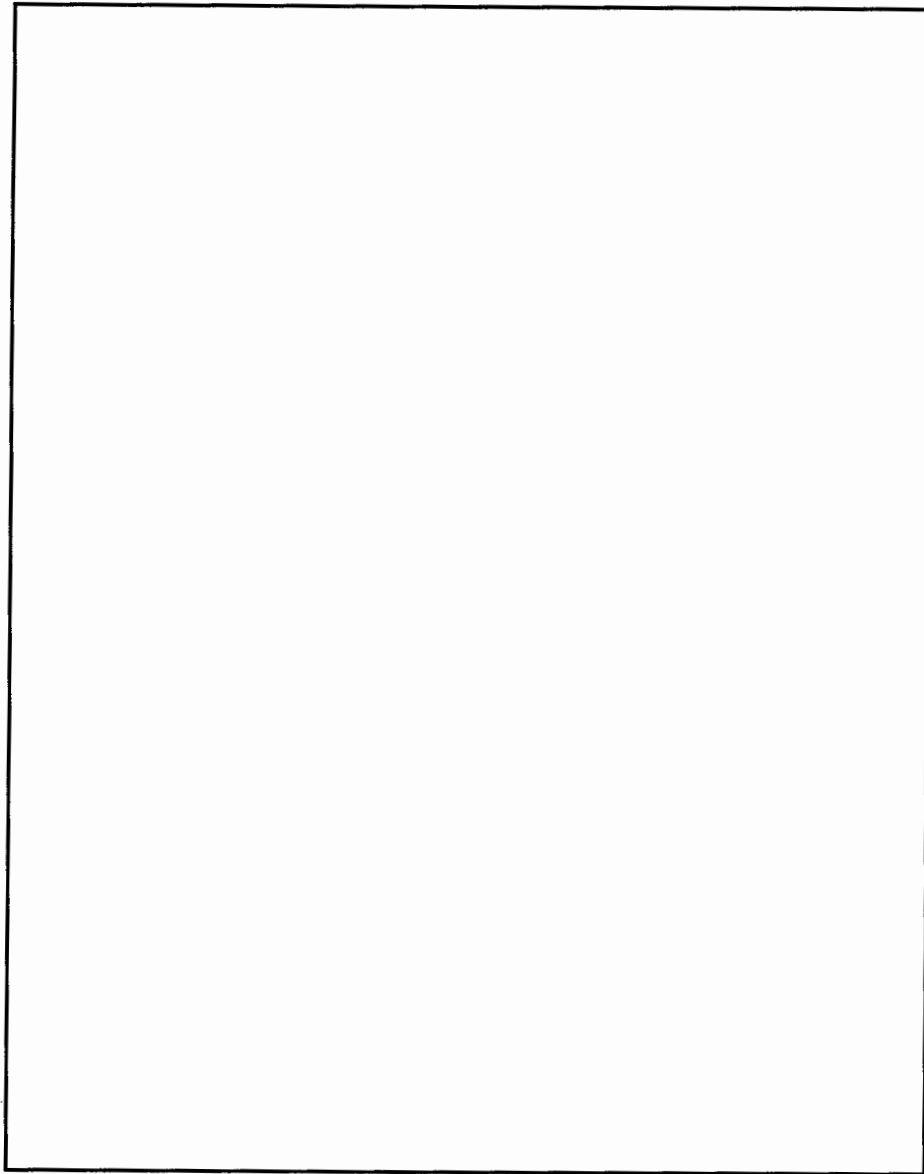
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E. Reinvestigations

The principal impetus for a regularized program involving the periodic reinvestigation of Agency staff employees appears to have

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been a recommendation of the Clark Task Force (headed by General Mark Clark),* which was established by Executive direction in July 1954. The scope of the Task Force's activities included a survey of the Agency's personnel security procedures. Prior to that time, some reinvestigations of Agency personnel had been conducted, but usually these were prompted by a review of the individual's file incidental to some additional internal security consideration -- For example, proposed access to COMINT or AEC Restricted Data et al. -- and discovery that the prior investigation did not meet the full specifications required as a result of the particular new security consideration. No regularized periodic reinvestigation program had been initiated because very few Agency employees had worked for CIA for any significant length of time.

Following a recommendation by the Clark group that Agency employees be periodically reinvestigated on a five-year basis,

* More formally referred to as the Task Force on Intelligence Activities, Commission on Organization of the Executive Branch of the Government.

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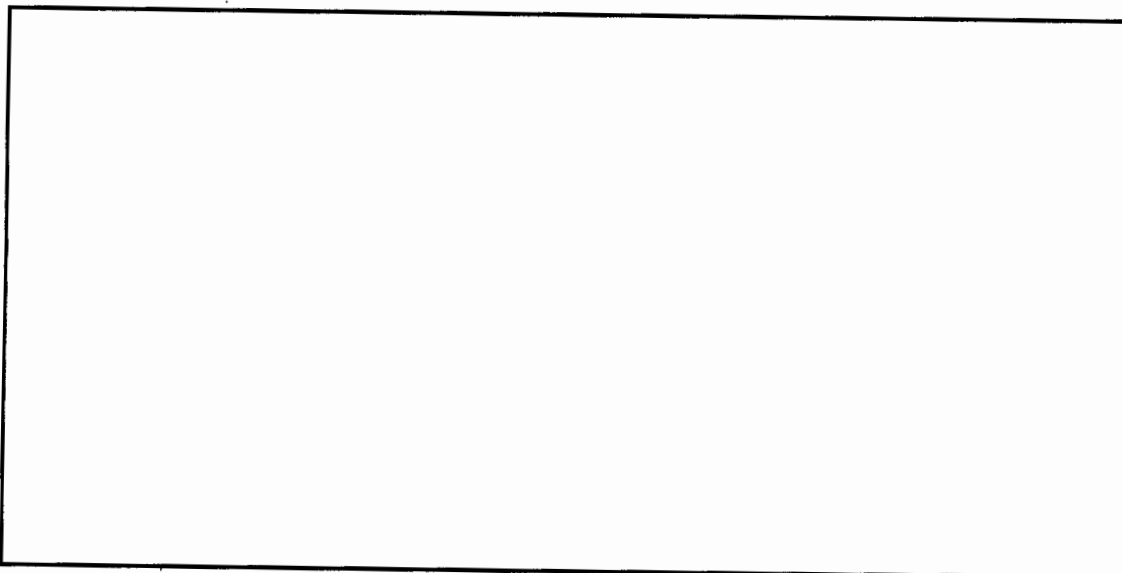
Edwards suggested a program to the DCI which he stated would not involve the acquisition of additional personnel resources. 147/ He pointed out that the security files of most Agency employees were being reviewed for various reasons more frequently than once every five years. On these occasions, the date and scope of the prior investigation would be noted, and reinvestigations initiated if appropriate. This Edwards proposed to supplement by obtaining a list of Agency employees and their respective EOD dates from the Office of Personnel. As time permitted, the review of individual files based upon OP's listing would also be used to determine if reinvestigation of the employee should be initiated under the five-year criterion. These reinvestigations would consist principally of updated national agency, police, and credit checks, and inquiries conducted in the vicinity of the employees' residences unless other factors reflected the need for a more comprehensive reinvestigation of the individual. The DCI approved Edwards's suggested program.

Probably due to the pressure of regular business, however, the program did not progress at a rapid rate. In November 1960,

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consequently, [redacted] requested an adjustment to the OS T/O.

The DDS concurred in the program as outlined by [redacted] but suggested that OS might be able to undertake the additional activity without further increase in the T/O. The IG's comments were extremely critical, noting that national survey groups had suggested such a program as early as 1955* and that PFIAB, following its establishment in January 1956, had been advised that such a program was underway in CIA. The IG concurred in the DDS suggestion that OS absorb all of the additional cost of the program. 149/

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* IG was referring to the Doolittle Committee report which had included a similar recommendation. (See p. 213, below.)

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After taking his "lumps" in a true gentlemanly manner,

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AT [] proceeded to establish a more regularized reinvesti-
gations program. [] was revised to
include the following provision related to the reinvestigation
of employees:

The Director of Security shall cause a continuous review of employee files. Normally this review should be made when there is a pending change of status of the employee but in every case on a cycle of at least five years, and will be followed by an appropriate reinvestigation. Reinvestigation shall be tailored to meet the cover, operational, and administrative considerations affecting the employee and the Agency. 150/

An October 1963 IG survey, specifically limited to the subject of personnel security, noted that the OS reinvestigation program had been underway for two years and was a sound innovation. 151/

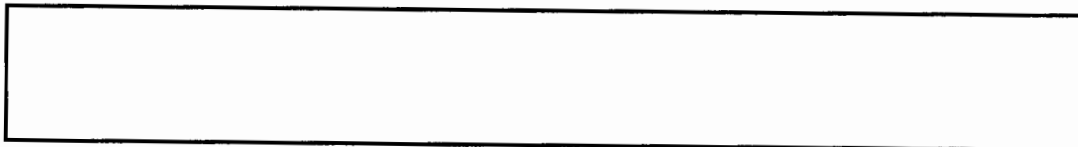
The program supplemented the reinvestigations resulting from regular reviews of accumulated security files, from major changes in assignment, and from changes in the employee's clearance status requiring access to special formal compartmented sources of information. The program was going slowly because of the press of current work; it was pursued during slack periods, and set aside

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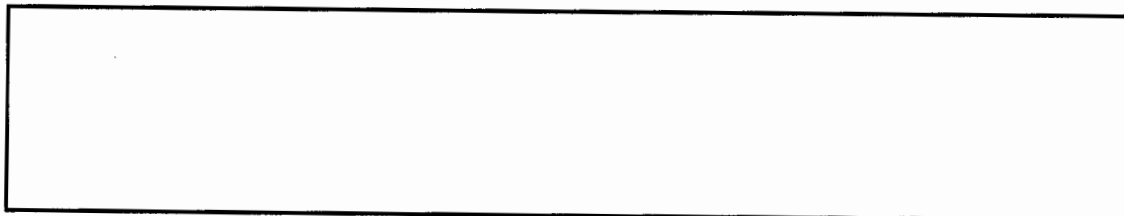
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The IG opined that the near-zero rate of unfavorable findings suggested that the reinvestigations program could safely be pursued at the present level of effort.

Based upon an August 1965 recommendation of the Chief, Clearance Branch, two additional professionals and one clerk-typist were added to the branch's T/O to form a new RIP (Reinvestigations Program) Section, and thereby provide more centralized direction to the program, and hopefully raise the overall monthly



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of cases completed under RIP for the years 1961 through 1970.

The RIP program has developed surprisingly little questionable information concerning Agency employees. One case developed

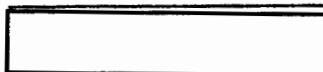


figure does not agree with statistics provided in Table 10. It is posited that the IG may have included reinvestigations conducted prior to 1961.

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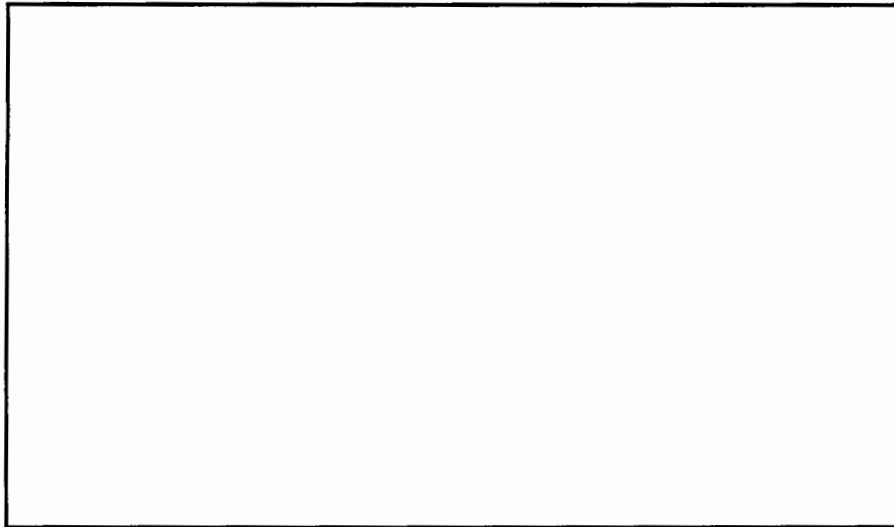
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Table 10

Reinvestigation Program Cases Completed

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1961-70



(a) During 1961, 1962, 1963, and 1965, because of the demands of regular business, RIP was pursued for only seven months of the year.

(b) Beginning in 1966, statistics were compiled on a fiscal, rather than a calendar year basis.

(c) As of April 1971, security files of employees who had EOD in October 1965 were being reviewed for reinvestigation against the five-year criterion. Additional cases were being reinvestigated for other causes: problem cases, cases requiring security clearance certification to other Federal agencies, or compliance with the provisions of DCID 1/14 related to intelligence-community-wide uniform standards for access to special compartmented intelligence source information. An additional RIP requirement -- [redacted] resulted from an April 1971 OS survey of GSA employees assigned to Agency buildings.

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of problem cases. There can be little doubt, however, that knowledge on the part of employees that they are subject to reinvestigation in many instances causes them to behave in a more circumspect manner.

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Although arriving at an appropriate DDP-OS division of CI labor was a relatively easy matter to accomplish, the development of an overall awareness that the Agency's total security protection required extremely close coordination between OS and DDP was the subject of a slow process of evolution. CIA's counterintelligence program was also the subject of a 1954 recommendation of the Doolittle Special Study Group:*

5. Insurance of the closest possible coordination of the counterespionage activities of the covert services with the overall counterintelligence activities of the Office of Security to prevent, or detect and eliminate, any penetrations of C. I. A.**

In commenting on this particular Doolittle recommendation to the DDA on 10 December 1954, the Director of Security stated:

Steps are now being taken with the newly designated Chief of Staff C/FI/DDP to effect the closest possible coordination. This Office is quite optimistic in

* See I, C, 2 p. 65, above, concerning the Doolittle group.

25X1 ** As previously stated, [] was also a member of the Doolittle group -- the author invites the reader's attention to the similarity of wording and punctuation contained in the 1952 [] and the 1954 Doolittle reports.

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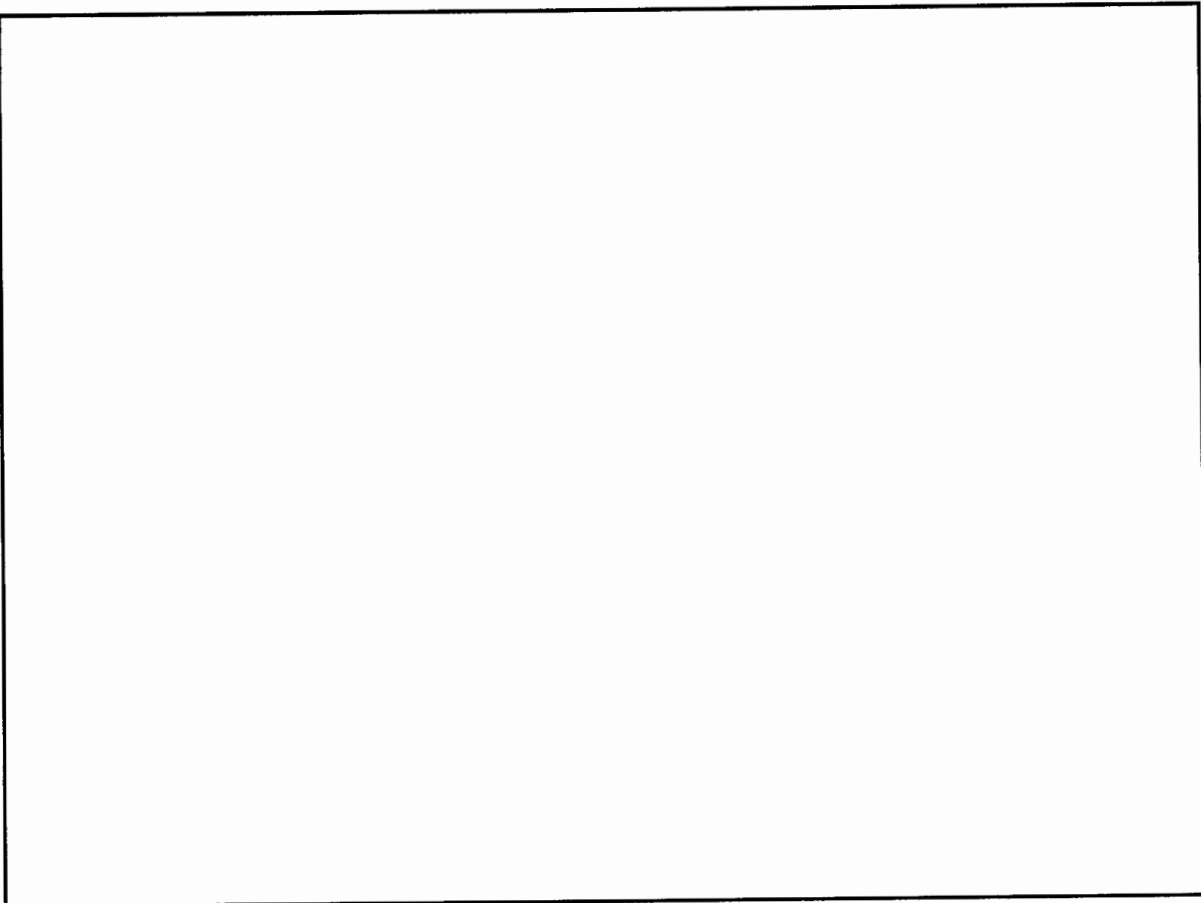
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anticipation of effecting a more satisfactory degree
of coordination between the two offices. 160/

As the Agency matured, and as personnel and the old Clandestine
Services' organizational philosophy of complete autonomy changed,
there gradually evolved a situation of more complete interchange of
CI information between DDP and OS as necessary to the full accomplish-
ment of the mission of each.

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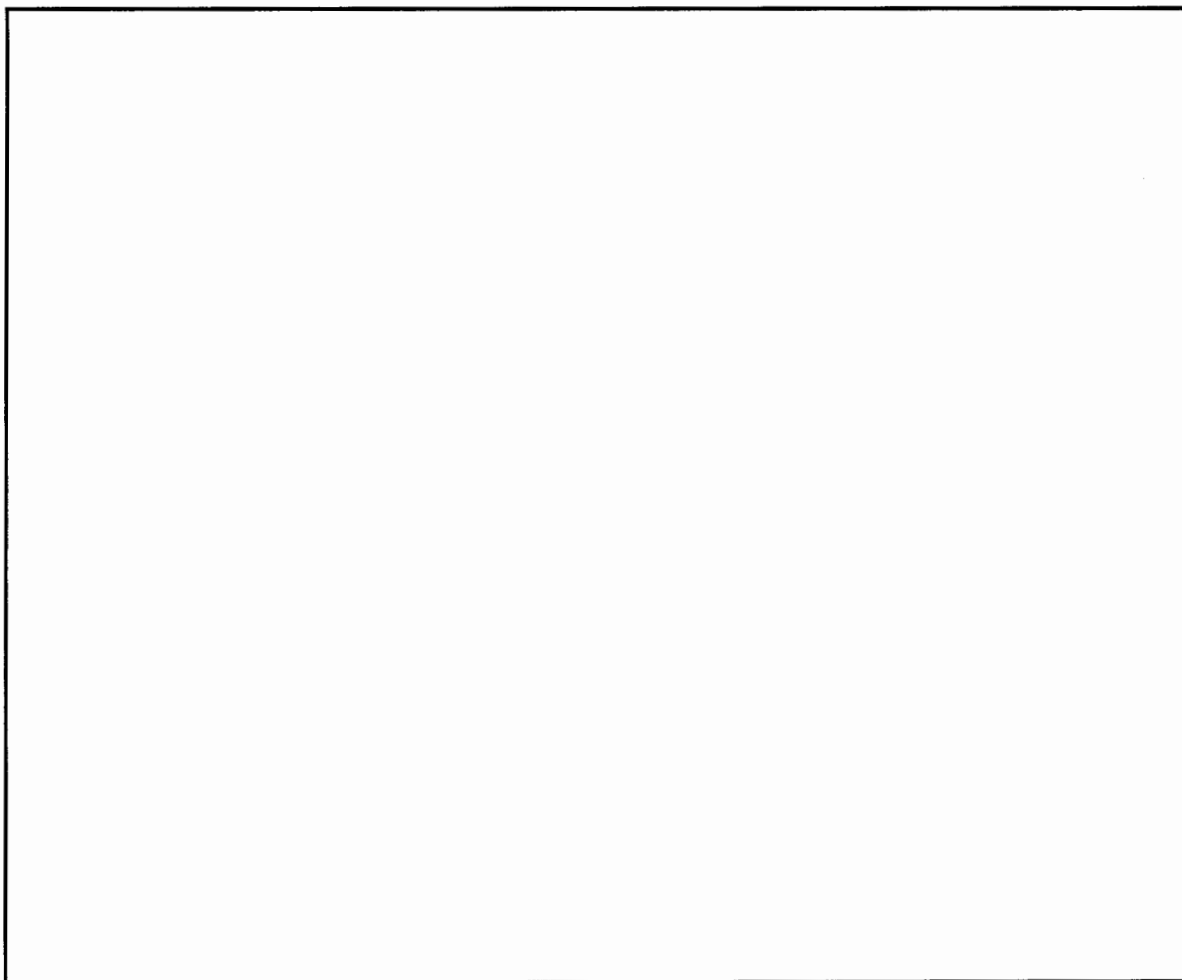


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Even within OS, however, there has been a division of labor related to CI protection of Agency personnel. DDP's CI Staff

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[redacted] officers under the DD/IOS to explore

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[redacted] leads related to CI matters within its area of jurisdiction. In addition, there were the voids in total CI

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protection of personnel which have been described above. Because the security clearance actions concerning personnel used in these activities were the responsibility of DD/IOS, DD/IOS organization from the early 1950's to 1965 included small CI organizational "desks," "branches," or similar units.

A 1965 survey of OS made by OS personnel recommended that CI functions performed by the CI Support Desk of the Operational Support Division under the DD/IOS be transferred to SRS and that IOS SD/I Branch provide a channel to the [REDACTED]

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[REDACTED] requirements in support of SRS's total CI effort.* 163/ This survey recommendation was approved and implemented. SRS, itself, has undergone several minor internal reorganizations; today (1972) it consists of three Branches: Foreign Intelligence Operations, Liaison and External Operations, and Special Activities Operations.

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* By and large, SRS has historically used the field offices to pursue most of its [REDACTED] investigative leads; in far fewer cases, SRS personnel themselves have traveled to interview witnesses, particularly where the matter under investigation required the interviewer to have substantial knowledge related to the case.

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Another area of SRS activities concerned liaison with police department intelligence and morals divisions, which frequently provided much information not available through a straightforward police check procedure. Continuing liaison with polygraph offices of Federal departments and agencies should also be included in this type of activity. Again, because of the inherently sensitive nature of such operations they cannot be fully described here; it is important for the reader to understand, however, that lacking any firm, formal bases for appropriate quid pro quo, SRS's activities in this area were principally dependent upon the establishment of sound, close personal relationships with the officials involved. An additional benefit frequently resulting from these relationships was SRS's ability to obtain police cooperation in preventing unfavorable publicity resulting from the actions of some Agency employees. SRS relationships with Federal law enforcement and security investigative organizations were additionally beneficial, because such organizations follow a practice of holding close information related to matters which are the subjects of current and continuing investigation, and

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will disclose such information only to officials in whose discretion they have the utmost confidence. Information related to former Agency personnel who were in contact with Soviet Embassy officials (cases described in the following section), for example, was obtained from another Federal agency on such a basis.

Another aspect of SRS work -- begun in 1965 -- was its biweekly preparation of the SRS Information Digest. The Digest was issued as a continuing source of background information for personnel of OS, although limited courtesy distribution was also provided outside the Office. It was compiled from official documents originating both within and outside CIA; from publications, some of which reflected the Communist and other extremist points of view; and from other sources. The objective of the Digest was to provide OS professional employees with continual, updated information concerning the activities of radical individuals, organizations, and movements. 166/

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In addition to other overall Agency uses, this list

was screened for former CIA problem employees and others whose travel to such areas might possess implications in terms of the security of the Agency. 167/

The work of organizational units such as SRS is a necessary adjunct to any viable personnel security program. Much effort is expended in the investigation of potentialities which more often than not prove to be groundless. Nevertheless, the stakes involved in the possible subversion of a single CIA employee are extremely high.

G. The Terminated Employee

The question naturally arises as to what can be done about terminated, sometimes disgruntled, employees who persist in their efforts of refusing to comply with the Agency's wishes concerning separation. Such individuals represent a continuing source of potential embarrassment and compromise to Agency activities. There are natural limitations governing the extent to which their activities can be monitored on a continuing basis;

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nevertheless, a considerable amount of OS effort is consumed in this manner in those cases where such action appears appropriate to the circumstances. To say that if the individual deliberately compromises classified information he is subject to Federal prosecution is not very reassuring, because the damage would already have been done, and the act of prosecution itself would only serve as an admission on the part of the Government to the accuracy of the information divulged. Consequently, CIA has been able to pursue the prosecution avenue in no cases to date, although action was taken for the first time this year (1972) to enjoin one former employee from publishing Agency material.*

It is also interesting to note that in another recent case not involving an Agency employee (the "Pentagon Papers" affair), the

* The case involving former Agency employee Victor L. Marchetti has been so widely publicized that it probably requires no further description here. See [redacted] for details. On 17 September 1972, the US Court of Appeals for the Fourth Circuit, Baltimore, Maryland upheld decision of a lower court granting an injunction to restrain Marchetti from publishing books or articles about CIA without prior authorization of the DCI. On 12 December 1972, the US Supreme Court declined to review the decision.

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Government's action against the principal offender is based upon illegal possession of Government property and not upon the disclosure of classified information. It is apparent that the Justice Department has serious reservations concerning its ability to successfully prosecute in cases involving the unauthorized disclosure of classified information in light of recent trends in court decisions.

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spring 1967, wherein he discussed the limitations under existing legislation to adequately protect against the unauthorized exposure of classified information.

Although the problem is not peculiar to CIA, because of the inherent sensitivity of much of the Agency's activity, the net effect has been that a number of separated Agency employees have used near-blackmail tactics to attempt to achieve their own beneficial ends. A 22 December 1961 memorandum from the Director of Security to the Agency's Legislative Counsel, wherein the former

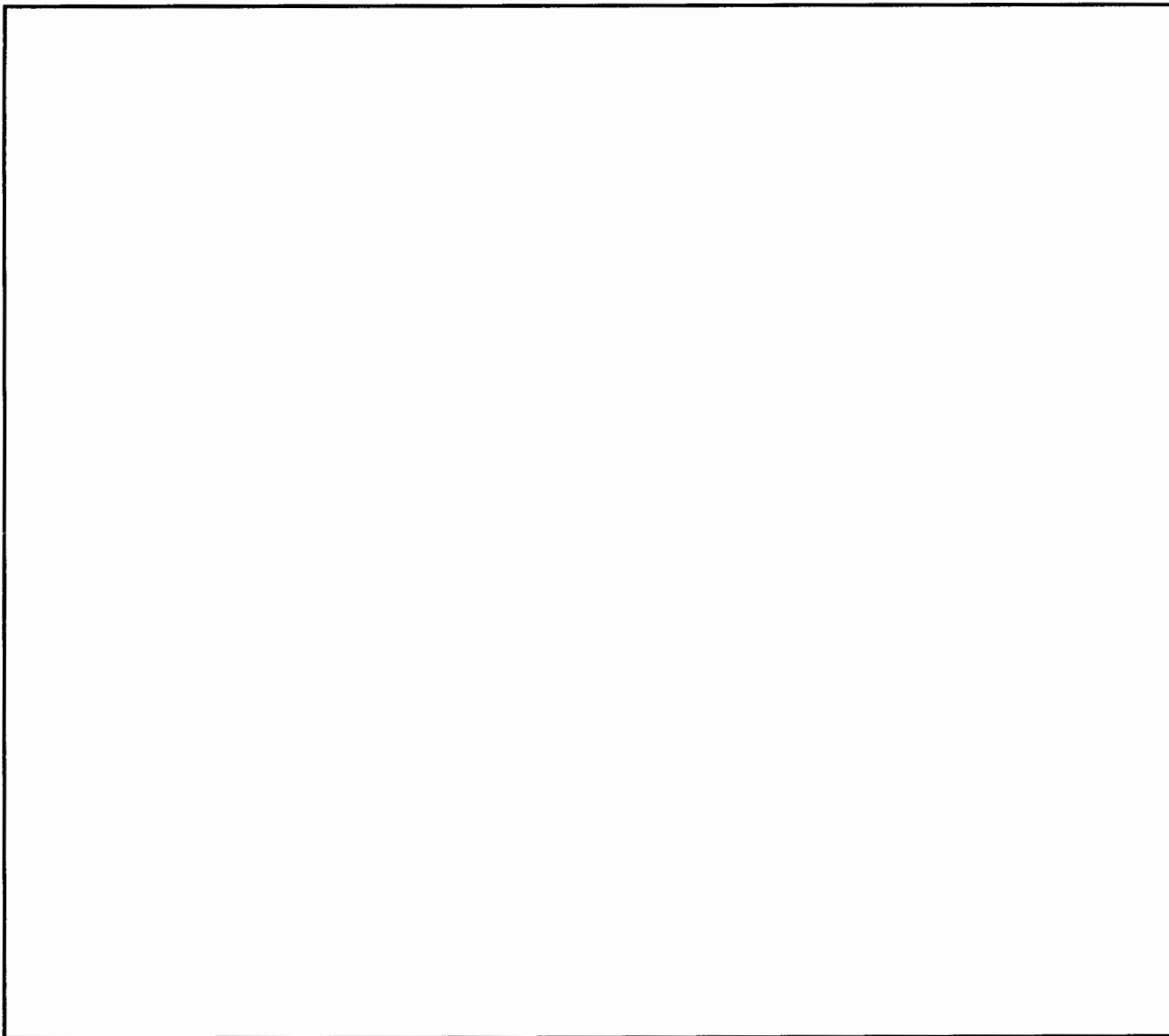
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proposed amendments to the Central Intelligence Act of 1949,
attached a number of case summaries which example this
problem*:

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IV. Later Developments in Personnel Security (1963-68)

A. Management and Organization

Following his retirement on 9 July 1963, Sheffield Edwards was succeeded as the Agency's Director of Security by Robert L. Bannerman. Bannerman served as Director of Security until 1 July 1964 when he was succeeded by the present incumbent, Howard J. Osborn.* The August 1965 reorganization of OS effected by Osborn essentially created three Office Directorates where previously there had been only two (see Figure 2).** In the area of personnel security, a new OS Directorate was created -- Personnel Security -- under a Deputy Director of Security for Personnel Security (DD/PS). The PS Directorate now consisted of three Divisions: PSD, IRD, and the Security Records and Communications Division (SR&CD), which had been renamed from SRD and transferred out from under the DD/IOS.

* See OS-1, An Overview, IV, A, for a more detailed description of OS Management progression. Mr. Bannerman was named Assistant Deputy Director for Support.

** OS-1, IV, B, provides further details concerning this reorganization.

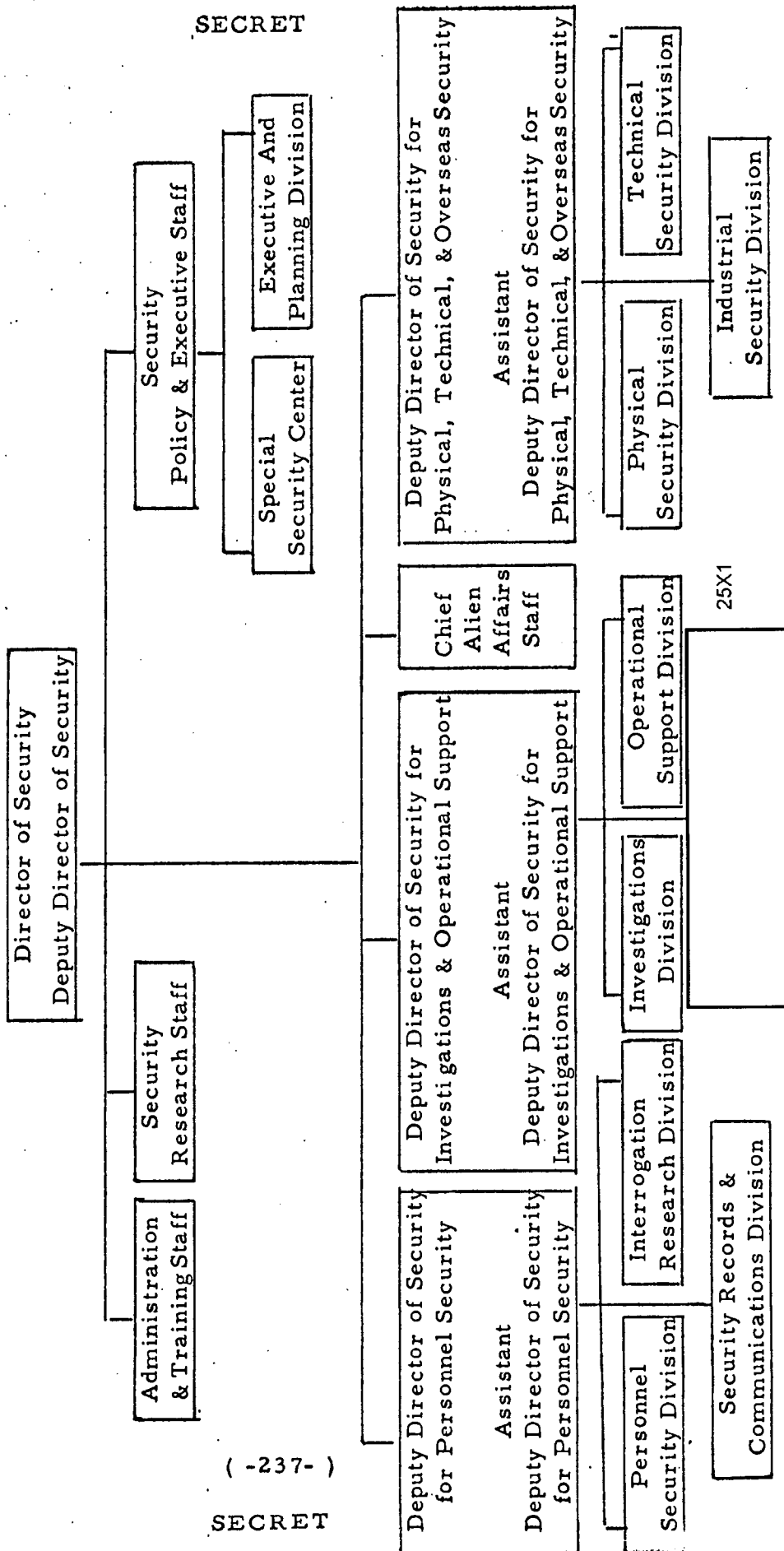
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Figure 2

Organizational Structure
Office of Security
August 1965



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Under the DD/IOS, the Investigations Division (ID) remained as previously constituted, servicing covert security cases, and providing the sole channel to the [REDACTED]

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[REDACTED] investigative support.* For a time, PSD --

under the DD/PS -- continued to be divided into two Branches: the Employee Activities Branch (EAB) and the Clearance Branch (CB). CB was responsible for processing security clearances of all cases categorized as either overt or semi-covert. Under the then-current terms of reference, however, these included but were not limited to the following categories of personnel:

1. staff employees
2. contract employees
3. military assignees
4. consultants
5. staff agents
6. summer employees
7. GSA guard, charforce, and maintenance personnel
8. GSI (cafeteria) employees
9. various other CIA Building concessionaires

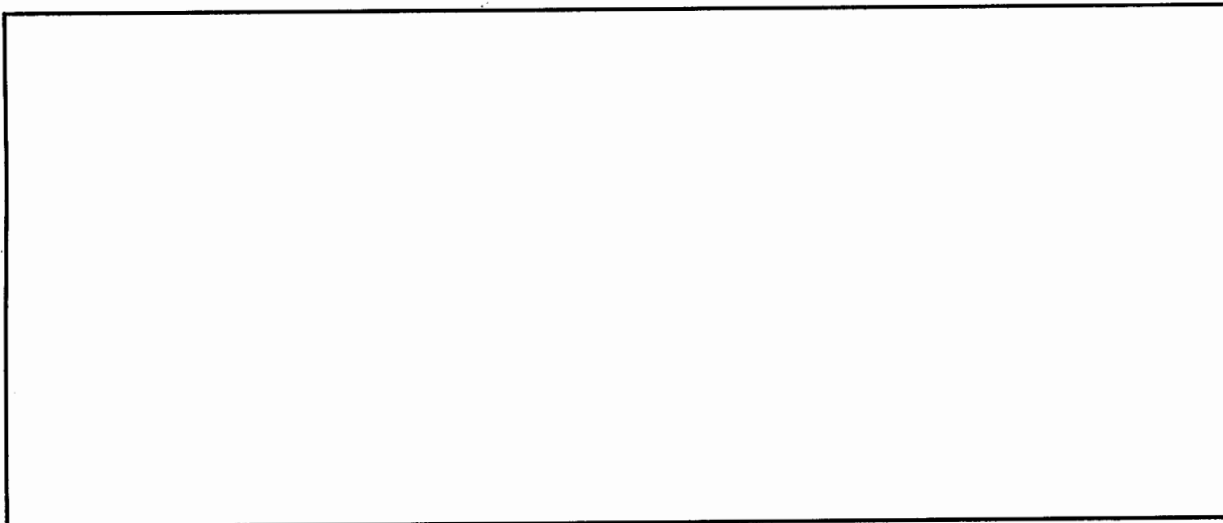
* The third of the three OS Directorates was the newly created Directorate for Physical, Technical, and Overseas Security (DD/PTOS), which took over the physical and technical security functions previously performed under the prior DD/PPS.

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Fiscal year 1966 saw PSD undergo an informal, internal reorganization, which resulted in a division of labor between two Branches -- Clearance Branch (CB) and Clearance Support Branch (CSB) -- involving work previously performed entirely by CB.* 172/ CB continued to process new staff and contract employee cases, consultants, FBID personnel, NPIC assignees, summer employees, and several other minor categories of cases. CSB handled personnel security actions related to the on-board employee -- for example, reinvestigations, special (Q, COMINT, et al.) clearances, and the processing of

* Now there were three Branches under PSD: EAB, CB and CSB.

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marriage cases. Additionally, CSB had responsibility for security clearance of all contractors' employees (excluding

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[REDACTED]

GSA guard,

charforce, and maintenance personnel; C&P Telephone Co. employees; GSI cafeteria workers and other concessionaires; OTR

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non-staff personnel. 173/ CB was divided into two sections:

Preliminary Review and Appraisal.* CSB was divided into three sections: Reinvestigations, Employee Actions, and Support Case.

The number and character of the ID Branches remained throughout

* Under a subsequent (1970) reorganization of CB, the Branch was redivided into three sections: Professional Evaluation, Clerical Evaluation, and Support Evaluation. The rationale for this change was to permit the entire processing of individual cases to be controlled by one man from opening to closing, rather than splitting the investigative requirements and assessment functions.

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1963-68 as they had been previously reconstituted in September 1962.*

B. Trends and Influences

The overall security clearance and/or approval caseload remained high during the 1963-68 era, although the caseload resulted from new and different Agency activities and operations, and the number of cases requiring the conduct of full background investigations, except for 1964, showed a steady increase.

Table 11 provides statistics related to OS clearance processing for the years 1963-68 inclusive.

25X1 * A later reorganization of 5 January 1970 reduced the number of ID Branches from four to three: Overt, Covert, and Special Clearance. The Overt Branch provided PSD's

Special Clearance Branch supported DDS&T's participation in the latter programs. In addition to arranging for a more appropriate division of labor, ID's internal reorganizations have historically been designed to make the system more responsive to changing Agency requirements. 174/

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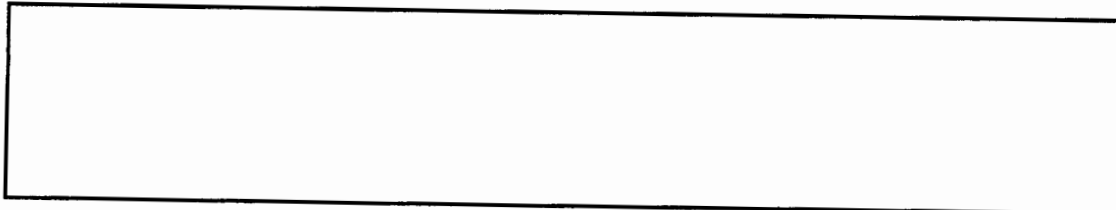
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volume access to classified Agency information, were in effect provided staff-like access, and suggested that their security processing should be as comprehensive as that afforded CIA staff employees. Consequently, arrangements were made with



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employees is provided in another volume in this series.*

Because the Agency's Langley headquarters building soon proved to be inadequate, CIA was forced to lease additional space in commercial buildings through GSA to handle the overflow of its personnel. Maintenance, charforce, and similar house-keeping services in these facilities were provided by the buildings' owners. This necessitated that arrangements be made to perform a limited security screening of such personnel. This matter was complicated by the fact that such personnel are employed and leave

* See OS-9, Polygraph Program, III, B, 3 and 4.

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on short notice and with considerable frequency; consequently, the security checks in most instances were performed after the fact. If unfavorable information was developed, the building owner was prevailed upon either to terminate the employee or limit the performance of their work to non-Agency areas.

During an era when Agency personnel procedures and categorizations were bringing about a gradual erosion of the classical definitions of the terms "employee" and "agent," OS continued to strive for maintaining a degree of integrity in its applied personnel security standards and processes through insistence that the individual's degree of access to CIA sensitive information and activity, facilities, and personnel be clearly

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Unsuccessful in its efforts to influence the revision of Agency regulations defining personnel categories in terms more specific to the various levels of security access, OS had initially attempted to solve the problem through an internal reallocation of the security clearance processing caseload. It soon became apparent, however, that these initial measures were not working, as evidenced by the following quotations from a 24 June 1964 internal OS memorandum related to this matter.

A. CONTRACT EMPLOYEES (TYPE "B")

On 30 October 1961, the Director of Security designated the Personnel Security Division as the responsible Security component for handling Contract Employee Type "B" clearance actions. Prior to October 1961, Type "B" Contract Employee cases were handled by IOS. From information available, it appears that the changeover was due in part to the confusion that existed in the Office of Security over whether a problem case was a Type "A" or Type "B" matter. While most Type "B" cases are clear-cut nonstaff-type actions, occasionally a Type "B" employee must have access to Agency offices either at Headquarters or overseas. This deviation is

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individual who meets staff employee security standards and who has been granted security clearance to perform staff-type duties at Headquarters or other CIA installations.

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Type "B" is defined as a Contract Employee not required to meet full staff employee security standards and who does not have access to CIA Headquarters or other official Agency installations or to classified material, except under conditions specifically set forth at the time of the request for security approval.

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Based on [] and the experience gained over the years, it is believed that the Office of Security can now determine when an individual is a Type "A" or Type "B" Contract Employee. The problem now is something different.

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The agreement reached on 30 October 1961 between [] stated that "Effective 30 October 1961, PSD/PPS assumed responsibility for the handling of all clearance actions in Contract Employee Type "B" cases. It was agreed that in true agent-type cases, even though the subject will be a contract employee, the clearance action will be handled by ID/IOS." The problem is what is a true agent-type contract employee case?

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[] advised the writer that a true agent is the rare individual who is the last man on the end of the line targeted against the opposition for the purpose of obtaining FI data. All other operational types are in support of operations and since they are not true agents, they are processed by PSD/PPS for Type "B" approvals.

[] Chief, Clearance Branch, PSD who receives all requests for Contract Type "B" approvals advised the writer that all Type "B" cases are the responsibility of PSD/PPS. He is of the opinion that a true agent cannot be a contract employee.

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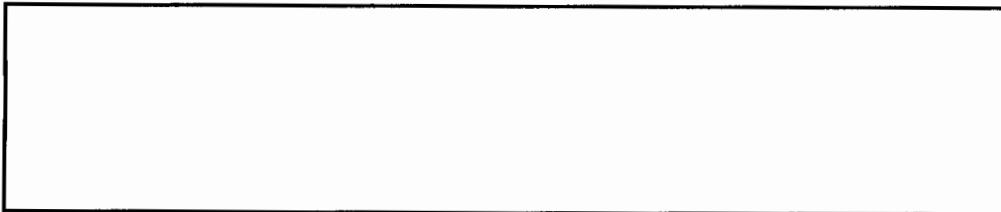
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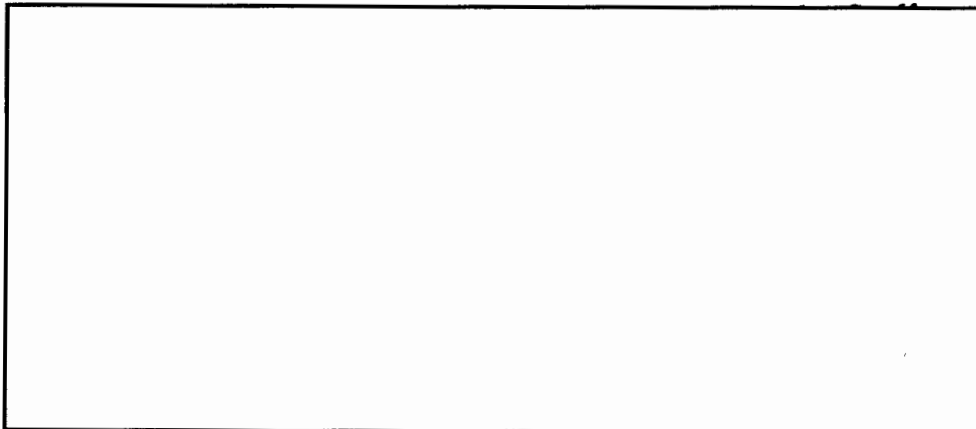
From the discussion above, it is apparent that confusion still exists within the Office of Security in Contract Employee type cases. Unfortunately, this confusion has become known outside the Office of Security and the requesting component sometimes plays one Division against the other. Clearance criteria often varies, especially in the area of provisional clearances ...

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B. STAFF AGENTS



Prior to 30 October 1961, IOS was responsible for handling Staff Agent clearances and problems related to Staff Agents. Clearance responsibility was assigned to PSD/PPS in October 1961 in connection with the Director of Security's "tidy-up program."



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Some DD/P components comply with this regulation and the Covert Support Section, Special Activities Branch,

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of the Operational Support Division/IOS approves or denies the request for the Office of Security.

Contrary to [] the Personnel Security Division also honors requests from DD/P components for the admission of covert personnel including Staff Agents to Agency facilities provided the individual meets clearance standards.

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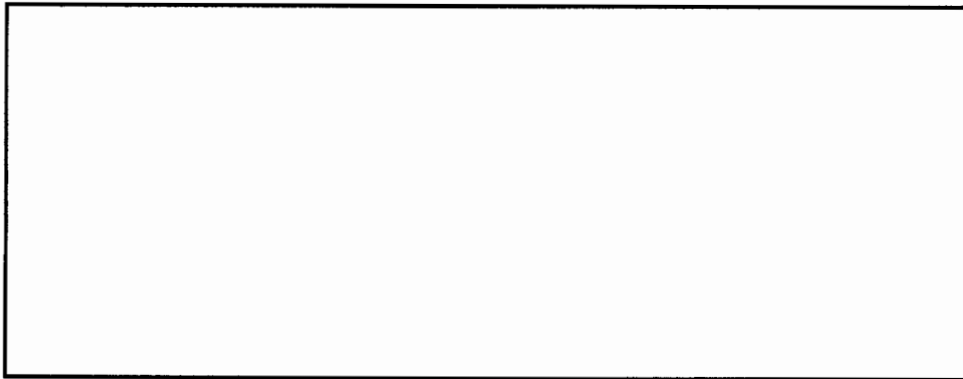
From a management standpoint, Office of Security responsibility for administering [] should be centralized ...

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C. CAREER AGENTS

[] defines a Career Agent as "an individual who, having demonstrated his operational value to CIA over a period normally of not less than three years for United States citizens and of five years for foreign nationals, has been engaged on a career basis for the purpose of performing covert activities for an extended period of time. . . . While not a Staff Employee, the Career Agent is an employee of the US Government by virtue of his relationship with the Agency and is normally entitled to benefits and privileges commensurate with, but not necessarily identical to, those granted to staff personnel."

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however, it is estimated that at least half of the present Career Agents are former Staff Employees.

The trend of converting Staff Employees and Contract Employees Type "A" to Career Agents is making the term Career Agent meaningless. The Career Agent category was originally established to take care of Contract Agents who were performing operational duties outside the United States under durable cover. Unlike a Staff Agent, conversion to Staff employment was not contemplated or provided for in the initial arrangements. The Career Agent category is now being used as an administrative mechanism to circumvent slotting and to take care of Staff Employees who because of marriage to foreign nationals are no longer eligible for staff employment.

Attachment "B" is a review of several Career Agent cases. From this review it has been ascertained that Career Agents generally fall into the following categories:

(1) Former Staff Employees who no longer meet staff standards based on marriage to a foreign national.

(2) Former Staff Employees who have been converted to Career Agent status for slotting and/or other administrative reasons.

(3) Former Contract Employee Type "A" individuals who have been converted to Career Agent status for long-term tenure. /Most of these individuals have been turned down for Staff Employee status./

(4) Former Contract Type "B" individuals who have been converted to Career Agent status for long-term tenure. /These individuals have generally been turned down for Type "A" status./

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(5) Contract Agents who have been converted to Career Agent status in order to have an employee relationship with the US Government. /These individuals are the true Career Agents./

The security danger in the Career Agent field is the grouping together under one employee category individuals who do not meet Staff Employee standards (Contract Agents, Contract Employees Type "B") with individuals who do meet Staff standards (Contract Employees Type "A" and former Staff Employees) and then based on the label "Career Agent" allowing them to work in official Agency installations and/or perform staff type functions... the "label" that is tagged on an individual is not so important as what the individual is actually doing. If the Office of Security knows the duties and relationship an individual has to the Agency, then an appropriate clearance should be possible, also, control over the individual should be possible. . . 177/

OS's answer to the problem was again an internal revision of division of case processing responsibility, which in general turned on the term "staff-like access." On 21 November 1966 the Director of Security approved a PSD-ID division of labor to be governed by the following criteria:

Criteria for Processing by PSD

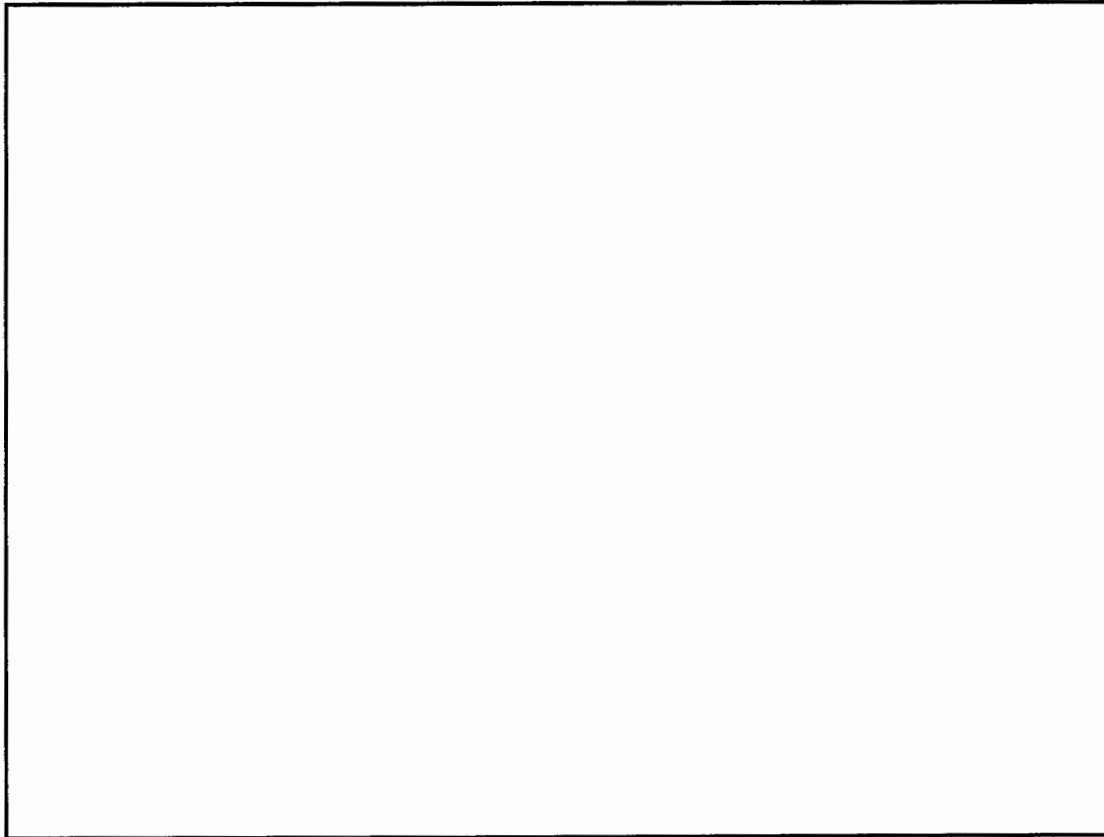
1. Individual has broad access to CIA information.
2. Individual has access to CIA Buildings where staff employees work.
3. Performs staff employee type duties.
4. Open contact with CIA as employer.

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As a result of this division of labor, words such as "agent," "clandestine," and "covert" no longer possessed any relevancy in terms of whether the cases were processed by PSD or ID, since many "career agents" and "staff agents" and personnel involved in clandestine and/or covert operations were provided staff-like access and therefore were required to meet the same standards as prescribed by relative to CIA staff employees. In order to clarify the

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employee category was one where OS had been successful in its attempts to amend the 1957 regulation to include the further categories of A and B types to distinguish between those types provided "staff-like access" and those who were not.

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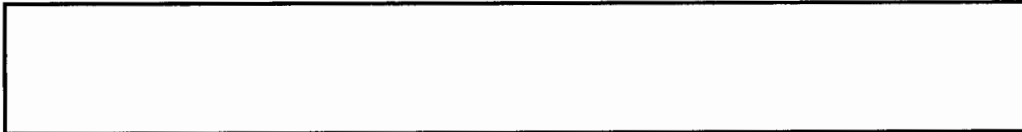
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Chief, FE Division agreed to a review by OS of the security status of all Type B contract personnel being provided staff-like access. Following the review, those who met the standards would be converted to Type A status, and those who did not would either be terminated or given duties not requiring the level of access.

It certainly would not be fair or even accurate to state that such situations resulted from a lack of integrity on the part of operating personnel; usually they resulted from some non-deliberate omission or, in other cases, from a temporary accommodation to expediency. It is, nevertheless, an area where OS has found it necessary to periodically step forward to "kick the tires" in order to keep the Agency's personnel security program operating on a sound basis.

The author is of the opinion that although it is appropriate for OS to perform in the role of the devil's advocate concerning this problem, the system must continue to depend principally upon the integrity and diligence of the personnel in the Agency's operating

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components to request the applicable level of security clearance and to insure that the individual's degree of access is correspondingly limited. Undoubtedly career security personnel assigned to Agency stations and bases abroad and to other Headquarters offices will continue in their efforts to police the matter, but it is the operating components -- and Agency activities overall -- that will suffer the effects of insecure practices. The overall record would appear to indicate that with the passage of time there have been fewer instances of expediency prevailing over caution.

C. External-CIA Influence

The DCI's influence on the security practices of other US Government organizations engaged in the intelligence mission is amply demonstrated in other volumes in this history. For the purposes of this history it is sufficient to say that, despite the Director's legislated responsibility for the protection of intelligence sources and methods, his influence on the security practices of other Federal departments and agencies was slow in developing, and even today is severely limited by the practicalities of command relationships. Despite these severe limitations, however,

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and despite the fact that it probably was not the intent of the framers of the CIA enabling legislation that his influence in security matters extend beyond CIA, the record is clear that the DCI has become the titular leader of the US intelligence community for security matters as they concern intelligence sources and methods.

In the field of personnel security there were some notable evidences of this even prior to the establishment of the USIB Security Committee (IBSEC) in March 1959. As early as 1952, OS personnel had provided advice and guidance to the National Security Agency (NSA) at the time that NSA was setting up a polygraph screening program. Still another influence began in 1954-55, resulting from cooperative intelligence operations -- such as the U-2 project -- wherein the Agency shared responsibilities for the programs with other departments and agencies, with CIA having overall security responsibility. Since many of these activities, however, are still subjects of special compartmented

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systems of security control, detailed discussion of these programs has been reserved for another volume in this series.*

In April 1958, Special Assistant to the President Gordon Gray wrote to the DCI expressing concern over recent news articles which appeared to contain information derived from sensitive US intelligence sources. Gray's concern resulted in the inclusion of the following section in the 15 September 1958 issuance of NSCID** No. 1 (new series):

5. The Director of Central Intelligence shall call upon the departments and agencies, as appropriate, to investigate within their department or agency any unauthorized disclosure of intelligence or of intelligence sources and methods. A report of these investigations, including corrective measures taken or recommended within the departments or agencies involved, shall be submitted to the Director of Central Intelligence for review and such further action as may be appropriate, including reports to the National Security Council or the President.

In February 1959 the DCI proposed to USIB the establishment of a Security Committee of the Board (IBSEC) composed of

* OS-8, Compartmented Information Security Practices, September 1972.

** NSCID: National Security Council Intelligence Directive.

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representatives of Board members, to assist it in its responsibilities under paragraph 5 of the NSCID. The proposal was approved by USIB and IBSEC was formally established by DCID 1/11, dated 24 March 1959.*

The principal impetus resulting in the establishment of IBSEC, therefore, was concern expressed by Special Assistant to the President Gordon Gray related to a plethora of press stories apparently based on information obtainable only from classified intelligence sources. Consequently, although the Committee's listed functions included making recommendations to USIB concerning security standards and procedures for the protection of intelligence, its principal early preoccupation was the investigation of specific evidence of security leaks contained in news reportings and the recommendation of controls or dissemination of intelligence information. Five instances of possible



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unauthorized disclosure were assigned by the DCI to IBSEC for investigation during the first year of the Committee's existence.

On 6 September 1960, two NSA employees, Bernon F. Mitchell and William H. Martin, held a press conference in Moscow and announced their defections to the USSR. On the following day the DCI directed IBSEC to outline existing personnel security procedures and methods affecting personnel of USIB member agencies engaged in classified intelligence activities or having access to intelligence information, and also directed it to consider and submit recommendations for improvement of personnel security standards. 181/

IBSEC's report on existing personnel security procedures was submitted to the Board on 27 September 1960; it consisted of separate descriptions of their personnel security programs prepared by each of the participating members. 182/ In a separate report on 23 September 1960 IBSEC recommended proposed legislation to:

- a. establish injunctive authority to enjoin acts or practices which constitute an unauthorized disclosure of intelligence and intelligence methods.

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b. establish an Official Secrets Act designed to overcome certain limitations existent in present espionage statutes.*

c. grant to those departments and agencies desiring it for the protection of intelligence sources and methods, similar statutory discretionary authority as that given to the DCI to dismiss employees. 183/

As a result of this recommendation, a USIB-member ad hoc committee (chaired by CIA's General Counsel) was convened to study existing espionage legislation and to recommend new legislation designed to better protect intelligence sources and methods and information from unauthorized disclosure. It soon became apparent, however, that no consensus-proposed legislation could satisfy the unique requirements of all the participating departments and agencies. The ad hoc committee, although never formally disbanded, ceased functioning before the close of 1961. Other recommendations contained in IBSEC's report of 23 September 1960, that

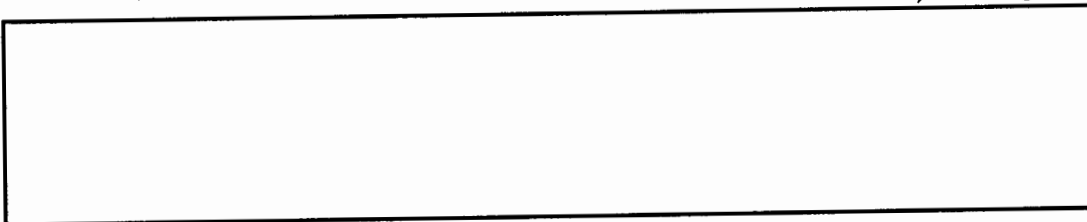
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principally from an early 1964 PFIAB study of the case involving



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Soviets for several years. PFIAB recommended improvement and more uniformity in personnel security standards throughout the intelligence community, and IBSEC was given the task. Additional impetus was provided by the 1965 arrest of Sgt. Robert L. Johnson of the Armed Forces Courier Service on charges of espionage.

But progress was exceedingly slow because of the considerable expense involved in expanding existing scopes of security investigations to the specifications of the new criteria. Consequently, it was not until 23 June 1967 that an agreed-to version of DCID 1/14, subject:

Uniform Personnel Security Standards and Practices Governing Access to Sensitive Compartmented Information, was approved.

Although DCID 1/14 prescribed a high level of personnel security criteria, it did not, for example, make use of the polygraph a mandatory procedure applicable to personnel provided access to special systems information. DCID 1/14 was nevertheless a major

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step forward. As an example of the extent of this directive's application: as of December 1966 when DCID 1/14 was still under deliberation, it was pointed out that more than 115,000 individuals were then cleared for COMINT and 53,000 for other compartmented intelligence information.

Recommendation No. 18 of the Joint Study Group was also considered by USIB, and on 18 July 1962 Guide Practices and Procedures for Counterintelligence and Security of Overseas Personnel and Installations was approved.* It recommended procedures related to personnel security overseas and included such items as area orientations, controls on private foreign travel of Government employees, briefings on countermeasures to penetration and surveillance techniques, restrictions related to outside (non-official) activities and association with foreign nationals, controls related to marriage of employees to aliens, supervisory responsibility vis-a-vis employee conduct, employment of foreign nationals, the designation of all positions concerned with intelligence as sensitive

* USIB-D-1.5/24. 184/

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positions within the meaning of the provisions of EO 10450 and a five-year reinvestigation cycle for employees.

Also as a result of recommendation No. 18 of the Joint Study Group, IBSEC submitted through USIB regular annual reports to PFIAB of measures taken by members of the intelligence community to enhance the Nation's counterintelligence posture. Another of IBSEC's contributions in this area was its 1966 preparation of A Study of Provocations and Harassments Against U.S. Citizens in Soviet/Satellite Countries to be used for defensive briefing purposes.

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CIA's external influence on personnel security was also enhanced by the unusual personality of former DCI John A. McCone. McCone was the first of the DCI's to attempt seriously to make more than just a nominal distinction between his dual role as DCI and as Director of the Central Intelligence Agency. Consequently he delegated to the DDCI, aided by the CIA Executive Director-Comptroller, a greater degree of responsibility for the management of CIA than had his predecessors, thereby providing himself a greater degree of independence in his role as titular head of the entire US intelligence

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community. McCone has frequently been described as a very brusque individual, quick to react, but few seem to doubt his personal courage. Despite the advice of his General Counsel that his statutory responsibilities for the protection of intelligence sources and methods had not been accompanied by any practical implementing authority beyond the confines of CIA, McCone appears to have been almost compelled to take the proposition onto himself.

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October 1963 to Secretary of Defense Robert S. McNamara, wherein he expressed concern about investigative and clearance procedures for personnel engaged in sensitive intelligence activities. 186/ He outlined CIA's program, expressed belief that the degree of CIA security success was due to these procedures, and suggested their application to all intelligence components of the DOD. Portions of McCone's memorandum are quoted below:

1. Having a continuing concern with the security of intelligence and intelligence sources and methods, I have been considering problems of the protection of security in the intelligence community. It is abundantly clear that I am responsible for all aspects of security

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within the Central Intelligence Agency, and it is also clear that Executive Order 10450 places responsibility on the head of each department and agency for establishing and maintaining within his department or agency an effective program to insure that employment of personnel is clearly consistent with the interests of national security. In addition, under my statutory responsibility for protection of intelligence sources and methods contained in section 102(d) of the National Security Act of 1947, as amended, and as further developed in NSCID No. 1, I have a certain responsibility with regard to the security programs of the intelligence community generally. In connection with this overall responsibility, I am setting forth below certain conclusions resulting from my review of the Central Intelligence Agency's personnel security procedures and practices for your consideration in connection with security programs established by you for the Department of Defense.

2. *

3. It is my belief that the high degree of security maintained in the Central Intelligence Agency is the result of the system outlined above. Not only the Central Intelligence Agency, but the intelligence organization of the Government as a whole, is especially sensitive and a primary target of Soviet and other Bloc intelligence efforts. I, therefore, recommend your consideration of the conclusions set forth above and the application of the security practices outlined therein to intelligence activities and components within your department.

* Paragraph 2 is not quoted because it consisted of a very lengthy discussion of CIA personnel security practices, including Agency use of the polygraph.

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4. An example of the general problem is the National Photographic Interpretation Center which functions as part of the Central Intelligence Center but with personnel assigned from other interested departments and agencies, I have recently determined that all military and civilian employees of the Department of Defense assigned to the National Photographic Interpretation Center shall be security investigated and processed in the same manner as CIA personnel. This action will include the voluntary participation of such personnel in a polygraph interview.

5. It is my personal conviction as a result of observations of security procedures of the military establishment over a period of 20 years that these matters are handled with care and skill considering the very large numbers of persons involved. What I am suggesting here, however, is that the personnel working in centers where particularly sensitive information exists might properly be subjected to even more exacting personnel security procedures than exist in the balance of the military establishment. This is the philosophy upon which the CIA personnel security program was founded, including the treatment of military personnel seconded to us. It is also the basis upon which I have reached the conclusion that the National Photographic Interpretation Center should follow the same procedures as are applicable to CIA and have so ordered. I should very much appreciate any comments you might have with respect to the possibilities for other improvements which might be made in sensitive areas within the intelligence community or, for that matter, throughout the intelligence community as a whole.

McCone was not successful in his attempts to incorporate the use of the polygraph for security screening on a broader basis throughout the DOD, because in the meantime several Congressional committees

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were investigating use of the polygraph in the Federal government and were commenting unfavorably concerning the procedure.* He was, however, successful in obtaining DOD agreement that military personnel assigned to the National Photographic Interpretation Center (NPIC) would be polygraphed by CIA's OS. ** In closing it is perhaps interesting to note that CIA's Sheffield Edwards, following his July 1963 retirement, performed consultant security services for NSA.

D. The Total Personnel Risk Philosophy

CIA's participation in interdepartmental security matters resulted in some internal benefits. The Agency's own personnel security program was undoubtedly enhanced through the community's examination of cases involving US defectors and others who had been induced to act contrary to their national allegiance. Additionally, the interdepartmental give-and-take in the coordination of proposed corrective actions resulted in a considerable

* For further details, see OS-9, Polygraph Program, III, E.

** For further information concerning the NPIC situation, see OS-9, Polygraph Program, III, B, 5.

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sharpening of the wits and the development of greater sophistication in security practices.

The author, in his research, attempted to identify discernible trends that might be attributed to this process, and he was able to identify one in particular, for which he has coined the phrase: the total personnel risk philosophy. The word "security" was purposely omitted from the phrase, because the philosophy represents a growing recognition on the part of Agency management that security, personnel, and medical considerations notwithstanding, one problem employee represents one employee problem in the total, overall sense -- or, more succinctly stated: one employee, one risk indivisible. Medical, personnel, security, and supervisory elements need to work closely together to insure that the fate that has befallen other departments and agencies does not befall the CIA. A serious psychiatric problem could become a security problem. A serious supervisory problem -- such as the disgruntled employee -- could become a security problem. The acute alcoholic might represent a potential supervisory and medical as well as security problem. The record showed that such personnel did not make good CIA

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employees -- their production and effectiveness lagged; their conduct frequently embarrassed the Agency; and the Agency was often put to the added expense and bother involved in returning them from overseas short of completion of their full tours of duty. CIA has had no known defections from its personnel ranks, but it has had its share of serious problem employees. Because of the nature of the Agency's mission, most of these, in one way or another, posed the potential for security compromise. This has been clearly demonstrated in the cases of terminated employees whose subsequent activities in various ways did benefit the opposition.

Undoubtedly, the total personnel risk philosophy was partly involved in an OMS staff review conducted during the winter of 1967-68, which was prompted by DCI interest in the adequacy of CIA medical standards and how much attention was being paid to medical recommendations. 187/ In its report, OMS recognized the existence of employees whose adjustment to the requirements of Agency service was unsatisfactory by reason of a continuing behavioral maladjustment to CIA employment rather than by

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symptoms of illness in the usual sense. While the problem behavior of such individuals led to unsatisfactory work production or was otherwise disruptive to the organization, it frequently fell short of being either work failure or some other action which at any given point in time would clearly justify termination of employment on purely medical, disciplinary, security, or other administrative grounds.

One of the impediments to the total personnel risk philosophy in CIA has been a natural reticence on the part of supervisory personnel to make a matter of permanent record the minor -- or sometimes even major -- problems they are having or have had with their employees. Sometimes the supervisor would go half-way and record the matter in the division's "soft" personnel file without introducing it into the employee's official Agency personnel file. As a result, Agency groups designed to consider future assignments of the individual -- such as the Overseas Candidate Review Panel -- were not always informed to the degree necessary to effect valid judgments. It was concern related to the "soft" files which led to the DDCI's issuance of a 1 August 1963 notice that all offices review

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their files for information to be included in OP files which could have any possible bearing on future assignments of the individual. 188/

Another impediment involved a clash of OMS and OS policy and procedure. OS, because of the sanctity it afforded security records, was able to come by information of a privileged nature concerning employees. Where such information indicated that some discreet referral to OMS might be in the best interests of both the Agency and the employee, OS rarely hesitated to take such course of action. OMS, however, felt it could act only in cases where there had been an open and official request for its assistance, and it wanted to examine such employees only if it could state that OS requested the examination -- OS naturally refused, citing Agency and Federal regulations related to the handling of personnel security information. 189/

The author is nevertheless convinced that the total personnel risk is a part of current Agency procedure. The signs are almost undetectable, but they are unmistakably present. On 24 July 1968 the Director of Security inquired of the Director of Medical

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Services concerning a procedure whereby OS files would be "flagged" in cases where OMS harbored some concern related to the individual, which would permit future OS/OMS consultation in the event of any subsequent consideration of the individual by OS. 190/ Throughout the years, the Applicant Review Panel (ARP -- successor to the MPS Panel established in 1953) continued to consult in a large number of cases concerning the suitability of certain applicants for CIA employment. A 25 September 1968 memorandum from the Director of Personnel to the Directors of Security and Medical Services cited recent progress in consultations between the three offices related to problems of marijuana and LSD and suggested that an OS-OMS-OP group at the working level meet regularly to discuss specific personnel problem cases. The Director of Security's response of 2 October 1968 not only approved the proposal, but expressed regret that he hadn't thought of the idea first. 191/

There were, however, even earlier signs. In September 1964 the DDS assigned responsibility to the Overseas Candidate Review Panel to conduct postmortems of cases involving Agency employees

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returned from overseas assignments for cause in order to provide a more viable basis upon which to judge their future considerations of proposed overseas candidates. 192/ The same year saw Agency regulations strengthened concerning supervisory responsibility in the area of employee conduct. 193/

During the winter of 1964-65 OS began a program involving the briefings of COS designates on personnel security problems in general, including specific potential personnel problem cases at the stations for which they were to assume responsibility. 194/ This necessitated obtaining a list of all personnel on duty at the particular station and reviewing the files for pertinent information -- including that bearing upon spouses and dependent children. The briefings were usually conducted by the Chief, Personnel Security Division following consultation with the Director of Security concerning specific content. This program, which has continued to date (1972), is intended to better prepare COS's to assume the full measure of their command responsibilities for the security of their stations.

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Hopefully, through its practice of the total personnel risk

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E. The Effect of Changing Values and Attitudes

In another volume in this series, a section has been devoted to legislative inquiries and congressional action related to proposed legislation concerning the use of the polygraph by Federal departments and agencies.* The use of the polygraph, however, has been only one aspect of the Federal personnel security program brought under attack by rising public and congressional criticism stemming from the subject of the "invasion of personal privacy." For example, the author has selected a piece of legislation which was the subject of OS examination in August 1966. The bill -- S. 3703, "A Bill to protect the employees of the Executive Branch of the United States Government in enjoying their constitutional rights and to prevent unwarranted governmental invasion of privacy" --

* OS-9, Polygraph Program, III, D.

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was being considered at that time by the Subcommittee on Constitutional Rights of the Senate Judiciary Committee. Following are pertinent excerpts from this proposed legislation showing the types of information which the Bill would consider beyond the purview of any given Executive agency regarding its employees or potential employees. These prohibitions are followed by the author's brief summary of the August 1966 comments of the Director of Security to the DDS concerning the effect of the Bill's provisions on existing CIA security practices on a point-by-point basis:

Section 1. (a) To require, or request, or to attempt to require or request, any employee of the United States serving in the department or agency or any person seeking employment in the Executive Branch of the United States Government, to disclose his race, religion, or national origin, or the race, religion, or national origin of any of his forebears.

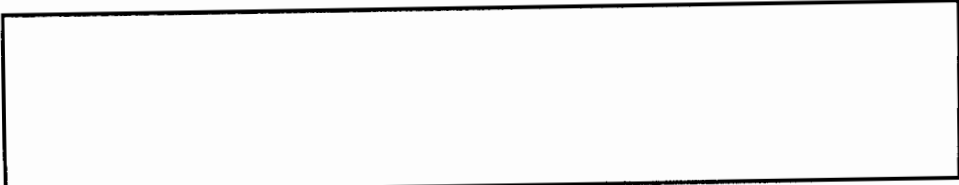
D/S advised that PHS questions related to national origin of the applicant, father, mother, spouse, father and mother-in-law, relatives by blood, marriage or adoption who either (1) live abroad, (2) are not US citizens, or (3) work for a foreign government would be in violation of this section. This information was essential to the security assessment of applicants under existing Federal and Agency criteria for employment.

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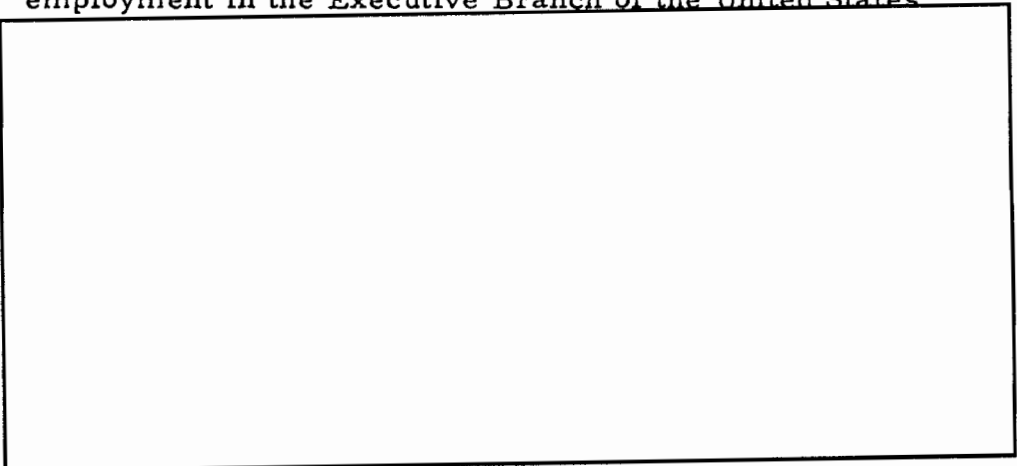
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25X1 Section 1. (e) To require or request, or to attempt to require or request, any employee of the United States serving in the department or agency to make any report concerning any of his activities or undertakings unless such activities are directly within the scope of his employment.



in violation of the proposed statute. The value of such procedures to CIA security had been amply demonstrated.7

25X1 Section 1. (g) To require or request, or to attempt to require or request, any employee of the United States serving in the department or agency, or any person seeking employment in the Executive Branch of the United States



* See Appendix E.

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Section 1. (k) To require, request, or attempt to require or request any employee serving in the department or agency, who is under investigation for misconduct to submit to interrogation which could lead to disciplinary action without the presence of counsel or other person of his choice, if he so requests.

D/S advised that although no Agency regulation existed covering this point, as a matter of practiced policy non-Agency persons were not permitted to be present during interrogations.

Section 1. (i) To discharge, discipline, or deny promotion to any employee of the United States serving in the department or agency by reason of his refusal or failure to submit to any requirement, request, or action made unlawful by this Act.

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D/S advised that this section would have an impact on the DCI's already legislated summary dismissal powers, in addition to subject: Conduct and Discipline which includes official reprimand, and probation, suspension, or separation.

Section 3. Whenever any officer of any executive department or executive agency of the United States Government, or any person acting or purporting to act under his authority, violates or threatens to violate any of the provisions of Section 1 of this Act, any employee of the United States or any person applying for employment in the Executive Branch of the United States Government affected or aggrieved by the violation or threatened violation may bring a civil action in his own behalf or in behalf of himself and others similarly situated against the offending officer or person in the United States District Court for the district in which the violation

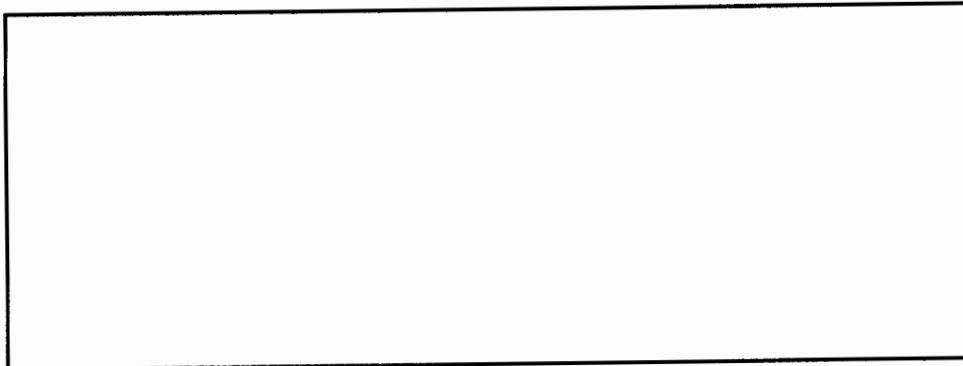
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occurs or is threatened or the district in which the offending officer or person is found to prevent the threatened violation or to obtain redress against the consequences of the violation. Such United States District Court shall have jurisdiction to try and determine such civil action irrespective of the actuality or amount of pecuniary injury done or threatened, and to issue such restraining order, interlocutory injunction, permanent injunction, or mandatory injunction, or enter such other judgment as may be necessary or appropriate to prevent the threatened violation, or to afford the plaintiff and others similarly situated complete relief against the consequences of the violation.

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Still another proposed Bill can be used to demonstrate the extent of the problem. This Bill -- S1035, frequently referred to as the "Ervin Bill" and the "Employees Bill of Rights" but formally entitled "A Bill to Protect Employees of the Executive Branch of the Government" -- was passed by the Senate on 13 September 1967, and was subsequently considered by House Committee on Post Office and

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Civil Service. The Bill's salient points in brief included the following prohibitions:

- (1) To disclose race, religion or national origin or that of forebears. (Inquiry can be made when deemed necessary or advisable to determine suitability for assignment related to National Security within or outside U.S. *)
- (2) To make any report concerning his activities or understanding unless such are related to performance of official duties. (Does not preclude such reports if there is belief that outside activities or employment is in conflict with official duties*).
- (3) To submit to interrogation (where investigation is for misconduct) which could lead to disciplinary action without presence of counsel or person of choice, if requested.

* In all probability this accommodation was in response to CIA legislative liaison efforts.

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- (4) To disclose any items of property, income, etc., or those of any member of family unless conflict of interest is involved.
- (5) To submit to any interrogation or examination or take any psychological test designed to elicit information (with any person connected by blood or marriage, religious beliefs or practices, attitude or conduct re sexual matters). Does not preclude specific sexual misconduct charges made against that person for which an opportunity is afforded to refute charge.
- (6) To take a polygraph test in applying for employment designed to elicit info as given above.
- (7) To require participation in any activities or undertakings unless related to official duties. 196/

In addition to having a serious impact on CIA internal personnel security practices, the thrust of such legislation was contrary to the DCI's efforts to improve personnel security procedures throughout

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the overall US intelligence community -- efforts which had been prompted by the demonstrated vulnerability of US personnel to subversion.

Despite the consideration by Congress of a number of other similar articles of legislation, to date (1972) no Federal laws have been enacted which seriously inhibit the Agency's personnel security processes. The general attitude, however, carried over into other areas of the public domain, resulting in a problem which was first highlighted in the security section of the DCI's report to PFIAB covering FY 1965:

1. As a result of recent writings on the "invasion of privacy" there has developed a noticeable reluctance on the part of persons interviewed during the course of investigations to furnish information about, or even identify, the persons known to them who are being investigated. This reluctance has also manifested itself in the refusal by some university officials to make available documents and information pertinent to personnel security investigations. It is contemplated that this will be a continuing problem which will become even more pronounced in future years. These circumstances will require the development of new investigative techniques and additional sources of information. In this regard, the Office of Security has a senior officer working on a classified book on this subject. This is being done in

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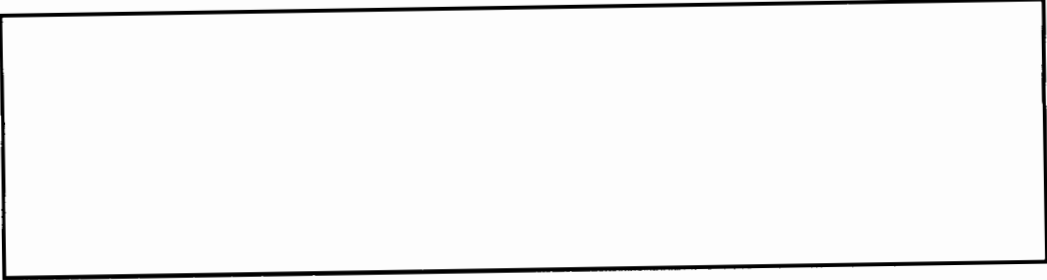
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But a social revolution began during the late 1960's, and it is still in process today. This revolution is bringing about changes in social and political customs, the nature of which will in all probability affect the personnel security processes. Any valid analysis of this situation, however, must in all likelihood await the efforts of subsequent historical writers -- because the full effects are not yet known. There are some very fundamental questions still unanswered. If homosexuality becomes accepted socially, and marriages between members of the same sex are legally sanctioned on a broader scale, will homosexuality continue to be a valid consideration in determining the security reliability of the individual? If the use of marijuana and other of the milder forms of narcotics becomes legally and socially accepted to the degree that alcoholic drink is accepted, what standard should be applied to personnel security? If the right of peaceful protest is to be enlarged to include acts of civil disobedience, what will then

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be the definition of disloyalty? If -- as much evidence seems to indicate -- radical political factions are fractionalized and undisciplined by the forces of International Communism, how then is the opposition defined? If the forces for change that are currently rampant are all for the good, who is it that is out of step with the times? The effect of the current social revolution on personnel security can not now be determined, because its effect upon society as a whole is not yet apparent. The author -- perhaps foolishly -- risks a prediction: Society must and will change, but the changes will be of considerably less intensity than those suggested by many of the more outspoken advocates.

In the meantime, those involved in personnel security work face difficult decisions -- should the standards be applied to a more relaxed degree, and, if so, to what degree of relaxation? There is evidence available which indicates how OS is dealing with such problems, but it is not in the form of cold, hard statistics -- little that deals with the science of human behavior should ever be presented in the format of a corporate balance sheet.

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The author, during a short period of time when he was acting as Deputy Chief of the Personnel Security Division, was given the unhappy but necessary task of explaining to certain personnel in the OP Interim Assignment Section (IAS), following polygraph examinations, why they were being separated from CIA employment. One such case involved a young female employee who admitted under polygraph examination that she had smoked marijuana on ten separate occasions (perhaps twelve -- she honestly did not remember) usually associated with party gatherings. As is the custom during such interviews, the author took the opportunity to personally discuss her offenses with the subject -- through such a process it is frequently possible to determine that the Agency may be making a mistake in rendering a too harsh judgment. The author was greatly impressed by the subject's forthright manner. There were no tears, but she was extremely critical of her own "stupid" behavior: ". . . it was a senseless lark . . . I will never do it again, regardless of whether the Agency decides to keep me on or let me go . . . I love this country, and I would be proud to work

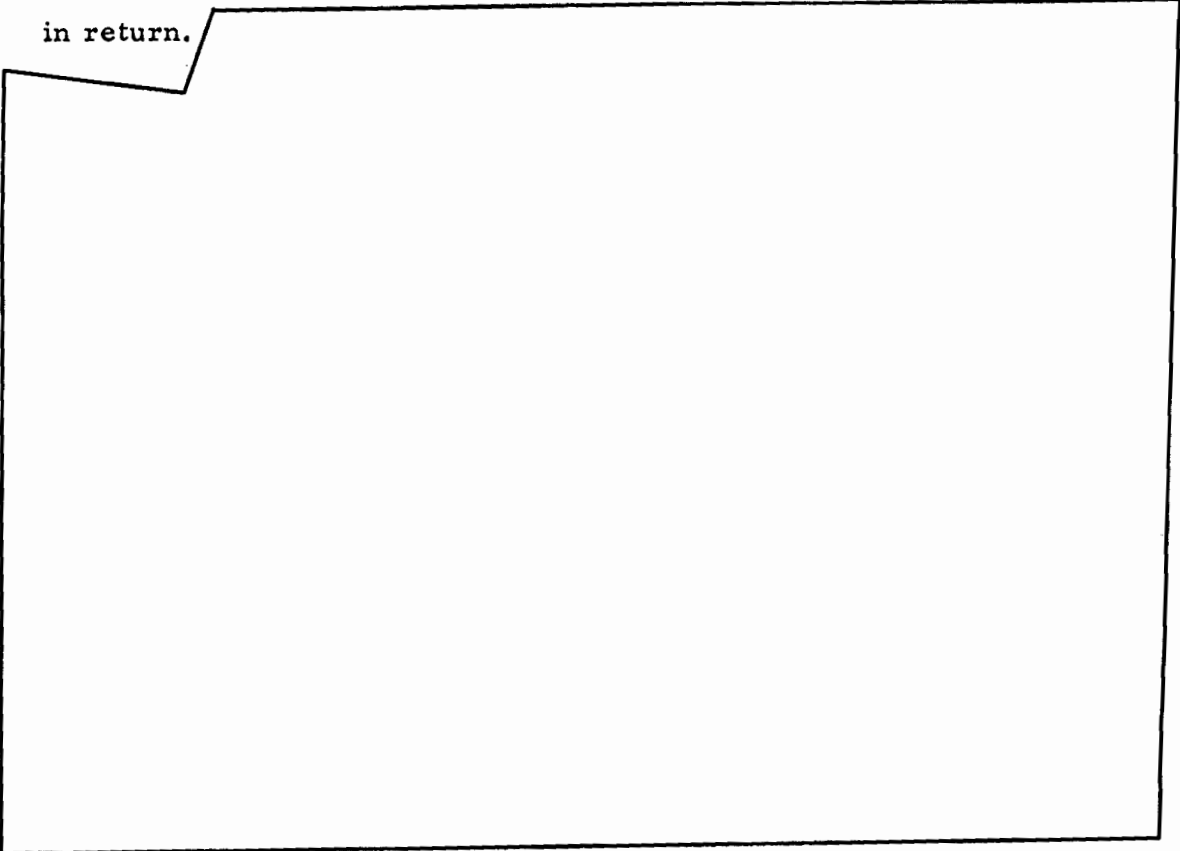
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for the CIA; if the Agency decides to give me another chance, I will not let them down." The Agency did give her another chance, and from all available indications her performance and behavior have been exemplary.

This was not an isolated case. OS frequently decides to change its mind -- it is selective as to those cases in which it does so, however, and it always extracts its measure of promise in return.



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The employee was

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retained on duty following a brief discussion concerning her future behavior.

On still another occasion, as Chief of OS's Employee Activity Branch, the author interviewed a black female employee. The subject had volunteered that she had recently begun attending seminars related to the racial problem at a local college and that a number of the participants were of the more radical variety. She wished to continue attendance at these sessions, and sought the reaction of OS to such continuance. After questioning the subject, the author was convinced that she herself did not possess radical views, but had an understandable intense interest in bettering the overall status of her race, that she was engaged in an honest, open process of legitimate inquiry, and was anxious to hear all points of view. The employee was advised that she had every right to continue in the activity in question, but that she would be expected to govern the extent of her involvement to such degree that it would not result in possible compromise or embarrassment to the Agency.

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The author suggests that in this era of changing attitudes, actions such as these -- and they are but three examples of many -- will be the saving grace of the Agency's personnel security program. Wisely, the Agency has never considered personnel security work as limited to the simple proposition of separating "good guys" from "bad guys;" it also involves working with people -- despite their human frailties. A viable personnel security program can be a builder of character.

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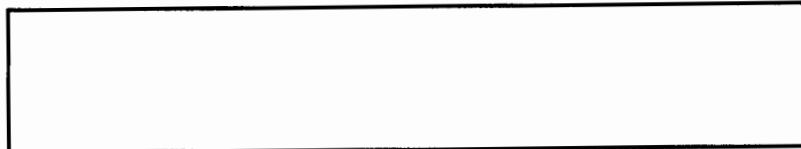
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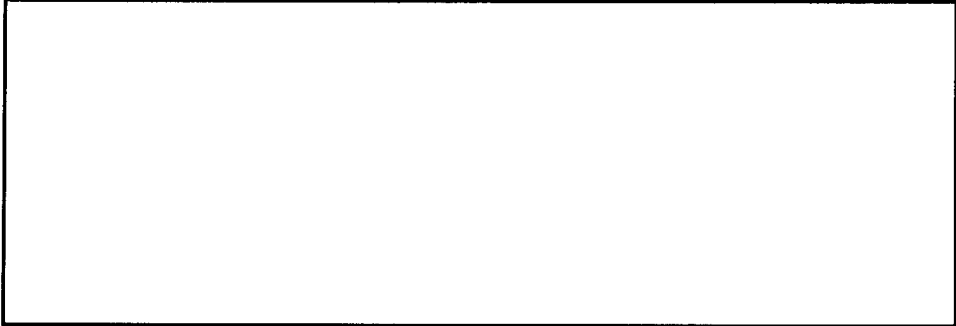
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APPENDIX C

Homosexuality as a Security Risk Factor

During hearings in 1950 conducted before the Senate Expenditures Subcommittee concerning homosexuality in Federal government service, the then DCI, Admiral Roscoe H. Hillenkoetter, testified in part:

. . . Speaking for the Agency, we do our best as far as our own Agency is concerned to leave no stone unturned to make certain we do not employ any perverts of any sort, and if we do find them, we get rid of them as fast as we can.

. . . The consistent symptoms of weakness and instability which accompany homosexuality almost always represent danger points of susceptibility from the standpoint of security.

. . . I would like to say that, in our opinion, the moral pervert is a security risk of so serious a nature that he must be weeded out of government employment wherever he is found. Failure to do this can only result in placing a weapon in the hands of our enemies and their intelligence service, and the point of that weapon would probably be aimed right at the heart of our national security.

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Hillenkoetter presented several cases to illustrate the vulnerability of the homosexual government employee to blackmail by hostile intelligence services. He then listed those characteristics of the homosexual which he considered important factors in considering the security aspects of such individuals.

He stated:

In the first place, an established homosexual relationship involves emotions as strong and usually stronger than a normal love relationship between man and woman.

Secondly, there is a known psychological susceptibility of the passive homosexual -- susceptible particularly to domination by aggressive personalities in any number or in any situation.

Thirdly, experience indicates that perverts are vulnerable to interrogation by a skilled questioner. They seldom refuse to talk about themselves, although some will not incriminate anyone else. In addition, homosexuality frequently is accompanied by other exploitable weaknesses, such as psychopathic tendencies which affect the soundness of their judgment, physical cowardice, susceptibility to pressure, and general instability. So, in addition to his homosexuality, a pervert is vulnerable in many other ways.

In the fourth place, in virtually every case, despite protestations by the perverts that they would never succumb to blackmail, they invariably express considerable

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concern about covering or concealing the circumstances of their condition. They also exhibit concern as to how much circulation the information may receive.

Fifth, in most cases, either currently or sometime in their past, the individual pervert has been promiscuous and has frequented various hangouts of his brethren, with the result that knowledge of his condition is known to a number of people, who may or may not be aware of his sensitive employment.

The comparative ease with which bars, restaurants, or night clubs where perverts congregate can be identified in any community makes it possible for a recruiting agent to use homosexuality as an excuse for the development of a clandestine relationship which can later be directed to espionage purposes, either with or without the knowledge of the subject, either wittingly or unwittingly. In this regard homosexuals have a definite similarity to other illegal groups such as criminals, smugglers, black marketeers, dope addicts, and so forth. They do congregate and they are well known in their circles.

Next, obvious homosexuals with the outward characteristics of femininity, or females with male characteristics, are often difficult to employ because of the effect on their co-workers and the public in general.

Some perverts who make a great to-do about their discretion are actually quite indiscreet. They are often too stupid to realize it, or through inflation of their ego or through not letting themselves realize the truth, they are usually the center of gossip, rumor,

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derision, and so forth. Experience has shown that even when the pervert has the best of intentions to drop the life and go straight, most homosexuals eventually revert to type.

To return to the reasons why the pervert is a security risk, the homosexual is extremely vulnerable to seduction by another pervert employed for that purpose by a foreign power, in our particular case, or by anyone. Such an agent would not have to be a homosexual, but could simulate the characteristics and gain access to the acquaintance of the pervert he selected for his victim by acting as a member of the group.

Another reason is that certain perverts are extremely defiant in their attitude toward society. They do not want to change their habits. They feel they are different and on a higher plane than the heterosexual. This mental attitude can be a very dangerous one, as it can be projected to a defiance of society in other respects, including disloyalty. A man figures he is better than the rest of the world and that, therefore, the laws of the rest of the world do not apply to him, including disloyalty.

Even the most brazen perverts are usually under considerable tension due to their efforts to conceal their condition and to suppress their instincts in the course of their everyday activity among normal persons.

Lastly -- and I think it is a very important reason -- perverts in key positions lead to the concept of a government within a government. That is so noteworthy. One pervert brings other perverts. They belong to the

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lodge, the fraternity. One pervert brings other perverts into an agency, they move from position to position and advance them usually in the interest of furthering the romance of the moment.

This in large measure is a result of the bonds and loyalties which exist between homosexuals and make them seek out, congregate with, and support others of the same type.

From these elements that I have discussed I think it is evident that a real security hazard lies in the susceptibility of homosexuals to inducement to cooperation in espionage. The use of homosexuals as a control mechanism over individuals recruited for espionage is a generally accepted technique which has been used at least on a limited basis for many years.

I think it is of interest for this committee to know, Mr. Chairman, that the use of homosexuality for the purposes of recruitment, blackmail, and control has been a frequent technique of the Soviet intelligence services. This has been particularly true in their state security organization. It is known that for many years the NKVD and its predecessor organizations in Moscow have directed intensive recruitment efforts against foreign diplomats who have homosexual tendencies. Standard operating procedures in these cases have been for Soviet intelligence to confront these individuals at the appropriate time with photographic and other evidence of homosexual acts, endeavoring to recruit them in this way by blackmail. It is known that in a number of such approaches they were successful.

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Hillenkoetter agreed with members of the committee that homosexuals should be barred from even unimportant, non-sensitive positions in the government. He indicated further that whenever the Agency had need for a homosexual in counter-espionage activities it is done on a temporary basis only, under tight control, and under some degree of surveillance. On this point he concluded:

You have to keep controls on them all the time. You have got to use extraordinary care and extraordinary precautions to be sure that they will not jump the other way on you.

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